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LONGINES

times the
Olympic Games

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NEWS SUMMARY

GENERAL

Rees sees long haul on Ulster

Ulster is back under direct rule by Westminster to-day following the scrapping of the Convention and the failure to achieve power sharing. Mr. Liam Cosgrave, the Irish Republic's Prime Minister, who had talks in London with Mr. Wilson yesterday, said there would be no major new Government initiative.

The new situation appears to be threatening the bipartisan policy of Government and Opposition. Shadow Northern Ireland spokesman Mr. Airey Neave warned that the political vacuum in Ulster might be filled by "violent and unscrupulous men."

The end of the Convention was accepted reluctantly by Mr. Liam Cosgrave, the Irish Republic's Prime Minister, who had talks in London with Mr. Wilson yesterday. Back Page

Banker admits Scott payment

Mr. David Holmes, a 45-year-old Manchester banker and former deputy treasurer of the Liberal Party, admitted last night that he had paid £2,500 to Mr. Norman Scott, who claims to have had sexual relations with Mr. Jeremy Thorpe, the Liberal leader. Mr. Thorpe denies the claim.

A statement by Mr. Holmes's solicitor said that the 1974 payment was made entirely on Mr. Holmes's own initiative, in particular without the knowledge of Mr. Jeremy Thorpe. The payment was made for the purchase from Mr. Scott of certain letters which Mr. Holmes believed could have affected voting in the former constituency of runaway Liberal MP Mr. Peter Bessell. Last night, Mr. Philip Watkins, Liberal Party treasurer, said the payment had not come out of Party funds.

Meanwhile, pressure mounted on Mr. Jeremy Thorpe to resign as Liberal Party leader following the "Liberal candidate's" poor showing at the Coventry NW by-election. Page 13.

Iceland plea to US

Iceland will ask the U.S. to supply her with one or two torpedo boats to strengthen her coastguard fleet. Justice Minister Mr. Olafur Johannesson said in Reykjavik. In London, the Defence Ministry said Icelandic defence minister had "brought a new and more dangerous aspect to the end war by forcing the British frigate *Naiad* to break-off a mid-ocean refuelling operation."

New Beirut fears

Civilian militiamen seized control of most of Beirut after clashes in which seven people died and 10 were wounded in the previous 48 hours. An estimated 2,000 Palestinian Liberation Army troops reportedly arrived from Syria to reinforce the 5,000 already in Lebanon. Page 11.

Briefly...

Coloured immigrant leaders will today seek High Court injunction to stop the BBC repeating a programme about immigration which they described as "racist propaganda." The 30-minute "Open Door" programme was first shown last Saturday night. Three people were killed in a German light aircraft which crashed on a training flight in Perthshire, Scotland. Building workers on two Copenhagen hospital projects struck in protest at the employment of eight British fitters. Mexican police seized 250 lb of cocaine worth about \$55m. and arrested 23 people. Flu epidemic has claimed nearly 1,000 lives in the U.S. in Scotland, the trouble last week, but declined throughout Britain as a whole. Andrew Elliott, a Conservative, was elected president of the students' union at Oxford University by a 400-vote majority. Sales offices of Leyland Innocenti at Livorno, Italy, were damaged by bombs.

Two TV companies announce improved results. Scottish Television is resuming its Ordinary dividends. Its 1975 pre-tax profits expanded to £766,571 (£179,681). At ITV, half-year pre-tax profits have recovered to £555,540 (£320,595). Page 14.

CHIEF PRICE CHANGES YESTERDAY

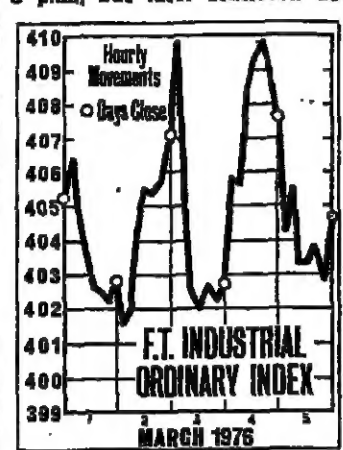
(Prices in pence unless otherwise indicated)		
RISES		
Barlow Rand	173 + 15	
Clark and Fenn	57 + 5	
Coral (J.)	121 + 9	
Croydex Rubber	117 + 3	
EMI	31 + 3	
HTV	76 + 6	
HK and Shanghai	302 1/2 + 13	
Lampa Secs.	116 + 3	
Marshall (T.) (Lux)	118 + 3	
OK Bazaars	29 + 6	
Philips Lamp	470 + 30	
Scottish TV	325 + 25	
Weyburn	520 + 10	
LASMO/SCOT Units	170 + 8	
Royal Dutch	233 + 11	
Anglo American	255 + 15	
Conc. Goldfields	182 + 10	
De Beers Dfd.	218 + 10	
FALLS		
Treasury 9pc 1980	285 1/2 - 1/2	
Treas. 13 1/2pc 97 "A"	283 - 1/2	
Barclays Bank	285 - 10	
Commerzbank	144 - 9	
Booker McConnell	134 - 5	
Decca "A"	248 - 6	
GKN	332 - 6	
Metal Box	277 - 7	
Rang Org. "A"	150 - 7	
Scot. Metro. Prop.	76 1/2 - 1	
Sidlaw	73 - 4	
Taylor Woodrow	276 - 6	
Tube Invests.	346 - 6	
Unigate	53 - 3	
Wolstenholme Bronze	138 - 6	
British Borneo	98 - 1	
BP	58 1/2 - 5	
ZCI Invests.	24 - 3	

BUSINESS

Equities sees long gain 12.8 haul on over the Account

● GILTS led the retreat as the market gave ground in nervous trading. Losses ranged to a full point at one stage but the MLR reduction helped the market regain a little poise. Shorts closed much as it lower, longs were down.

● EQUITIES took their cue from gilts. The FT 30-share index drifted down to lose 4.7 by 3 p.m., but later scattered de-



mand brought a modest rally. The index closed 2.9 down on the day at 404.7, showing a 0.5 point loss for the week. Over the Account the index put on 12.8.

● DOLLAR's trade-weighted depreciation narrowed again to 2.4 (2.46) per cent.

● GOLD gained \$1 1/2 to \$134 in a moderately active market.

● WALL STREET closed 1.23 higher at 972.92, after rising 6 but finding no buyers.

● U.S. UNEMPLOYMENT rate fell by 0.2 per cent. to 7.6 per cent. last month—its lowest level for more than a year. Page 11

Encouraging oil strike off Aberdeen

● OIL has been discovered 160 miles east of Aberdeen by the Ranger Oil exploration group, which describes the find as "encouraging enough to warrant further drilling." Scottish Canadian Oil and Transportation, which recently raised £17.7m. on the stock market, also has a major stake in the well. Page 9

● MR. HUGH SCANLON, AUEW president—in the past a critic of the social contract and a leading campaigner against wage restraint—has come out in support of the Government's general strategy of cutting public expenditure. But he was careful to link his support to the need for a reflationary Budget. Back Page

● RECEIVER at Brentford Nylos has agreed terms with two of the company's main suppliers, British Enkalon and Enkalon, to enable the company to continue trading. Page 9

● FELIXSTOWE Dock directors have no firm recommendation to shareholders faced with two take-over bids—one from the State-owned British Transport Docks Board and a second, and higher offer from European Ferries. But they favour the BTDB for long-term development. Page 8 and Lex

● TWO TV companies announce improved results. Scottish Television is resuming its Ordinary dividends. Its 1975 pre-tax profits expanded to £766,571 (£179,681). At ITV, half-year pre-tax profits have recovered to £555,540 (£320,595). Page 14.

Three-cent fall on day takes authorities by surprise • MLR is cut by 1% to 9%

Sterling goes below two-dollar barrier

BY MICHAEL BLANDEN and WILLIAM KEEGAN

THE POUND dropped below \$2 for the first time yesterday under continued pressure in hectic foreign exchange markets.

In one of the biggest daily falls on record, sterling lost over three cents to end the day at \$1.9820 against the dollar. Its weighted average depreciation against other currencies jumped to a record figure of 31.5 per cent., compared with 30.3 per cent. on Thursday and a previous low of 30.6 per cent.

At the same time, the Bank of England's minimum lending rate fell another 1 per cent. to 9 per cent. after the weekly Treasury bill tender. The fall in MLR coupled with the apparent absence, until yesterday afternoon at least, of official resistance to the drop in sterling led some sections of the market to feel that the move had been deliberately engineered by the authorities.

According to this line of reasoning the fall was in line with the Government's known long-term policy of allowing sterling to fall to reflect the difference between inflation rates in the U.K. and other countries in order to maintain the competitive position of U.K. exporters.

In fact, however, the situation was more complicated. An initial fall in sterling provoked some large selling orders from New York and the Continent, which appear to have increased in volume yesterday as sterling passed below the \$2 mark with its important psychological significance for the market. The result has been a drop in the pound on a scale which

appears to have taken the authorities by surprise. It follows a period when sterling has remained relatively stable in spite of the upsets in exchange markets caused by the weakness of the Italian lira and uncertainties about the European joint floating arrangements. But the size of the adjustment in a single day has embarrassed the authorities.

The sequence of events is this: a period of three weeks during which the pound has been very strong and foreign exchange has been flowing into the reserves; very strong demand for sterling on Thursday morning, which was supplied by the Bank of England because it certainly did not want the rate to improve against the long run trend; misinterpretation by the market that the Bank of England was deliberately engineering a large fall in sterling; then, in the

light of great market confusion, a run on the pound. This does not alter the basic picture—a shared assumption by the market and the Government that sterling both in relation to the dollar and the weighted average of all key currencies must continue to decline as long as the U.K. inflation rate remains so far in excess of that of other countries.

At any one time, however, the Government and the Bank of England have to strike a balance between desired exchange rate trends and the danger of precipitating sudden large scale withdrawals from sterling. And there is no doubt that they would have preferred a more orderly adjustment than occurred during yesterday's disturbances. Nevertheless, because the movement in sterling has been in the right direction, the

authorities decided yesterday not to reverse a decision made on Thursday to allow the further fall in MLR. The downward movement of interest rates is seen as an important element in the revival of industrial investment.

In the past two days, sterling has come down by as much as 4.25 cents, and at one stage yesterday was dealt as low as \$1.98. Dealers reported that while the market was very busy, the actual volume of currency being traded was not exceptional.

One factor in the pressure was the narrowing of interest rate differentials between London and New York with the continued decline in London money market rates.

The further fall in MLR is the tenth in a series which has brought it down by a full 3 per cent. since mid-November. It is likely to present problems for the big banks and for the building societies over the level of their own rates.

The big clearing banks last cut their overdraft rates a month ago, when a drop in base lending rates to their current 6 1/2 per cent. left the top-quality corporate customers paying 10 1/2 per cent. for the overdrafts.

Since then, short-term interest rates in the money markets have come down considerably further, bringing the danger that big borrowers may switch their requirements to other sources. This has

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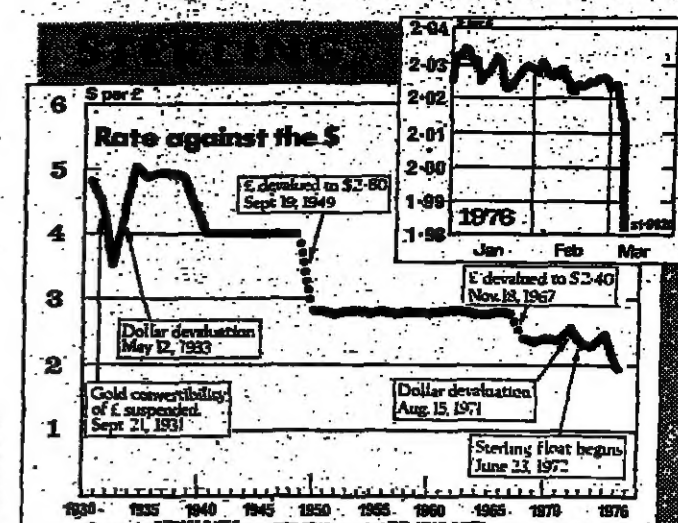
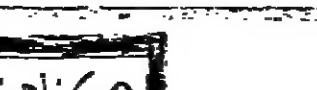
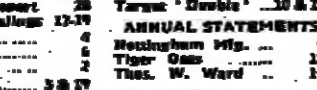
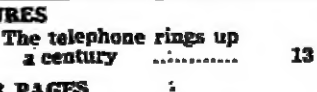
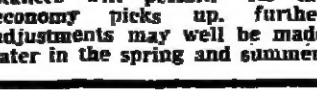
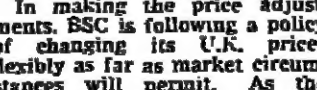
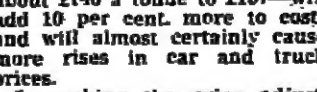
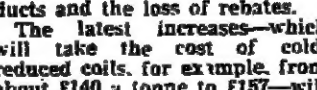
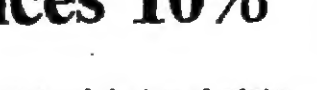
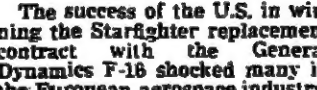
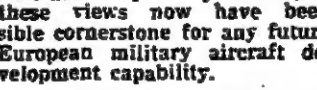
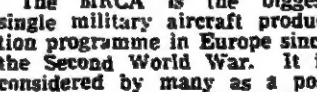
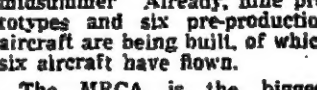
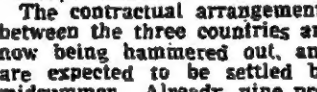
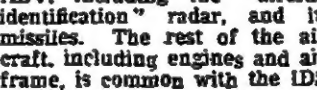
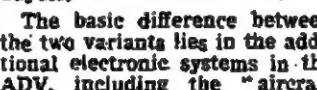
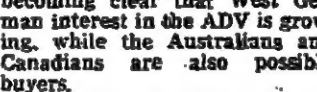
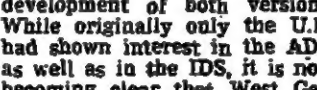
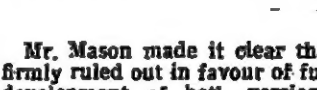
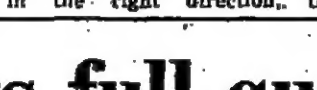
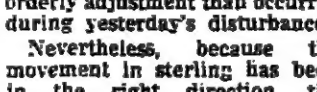
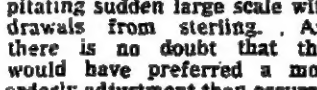
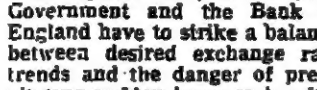
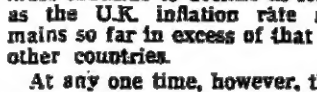
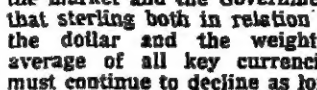
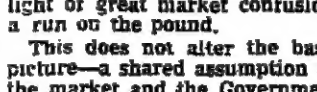
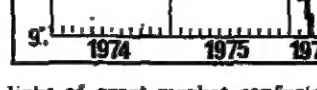
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2.40, 3.00, 4.50, 5.25) Wales v France; 6.00 a.m. Kitzbühern, 9.00 a.m. Kitzbühern, 12.00 Kenty Everest; 1.00, 2.00, 2.25, 4.50, classified creek at 3.00; plus news of the World Ice-Skating Championships, World Sports Championships, and at 5.00 Sports Report, 6.00 Star Sports (1.00pm only, also 2.00pm and 3.00pm).

Your savings and investments

A switch to commodities

Y CHRISTOPHER HILL

ONCE UPON a time investors leading trusts which concentrated on unit trusts at a time when the market was very top of a bull market, but favourably with specialist funds is sad fact has been so well concentrated on other blunders since 1972/73 that a areas—Europe, for example, action has set in against being taking Ebor Commodity, the optimistic when general Ebor Commodity, the confidence is improving. So we find, as the best example, the is not seeing "ultra-high" fund may not have done so worth unit trusts being well over the past year, but reached at this stage in the over the past four years (according to the figures of the Income Savings) it is the best performer for investors. Also, the former in the unit trust industry of the F.T. Ordinary industry and is the fifth best to oscillate around the performer over the six-year mark has not produced any haul. Of course, looking at some phoria with the average of the long term figures, this is not, although it may have not been saying very much.

So this week we have two groups pursuing a different tack on a straight drive towards growth, steering instead towards commodity share funds. The groups are M and G, and Ebor Securities, and both have produced similar results, the one being more capital-growth oriented with a per cent. gross yield, the other being more biased towards income at 7 per cent. Both have the same theme however, this is that because world economies are recovering, the demand for raw materials is bound to increase. And they take heart on the fact that commodity prices have recovered relatively slowly so far. Both have turned their faces for the moment against launching offshore funds which invest directly in commodities. The main reason for this is that both are in the unit trust business, to the average investor and it is impossible for a unit trust group to actively promote an offshore fund to the general public.

So what are the prospects for commodity share funds? At one time it was customary to say that such funds were strictly for the speculative investor and they were usually high yielding funds which offered capital growth as an afterthought. Even when the first of the commodity funds—Oscar—was launched, there was more than a little prejudice against involving the investor in high yielding plantation areas, dependent partially on weather and partially on the external politics of countries which were equated with "banana" republics. But over the past ten years so many changes have occurred in the investment field that one is now a little more open to the raw material producers which are the "blue chip" stocks, rather than the U.K. companies which are on the receiving end of their products.

It seems to me, however, that the problem which exists is that of course all the managers still say that commodity share funds are a "more volatile" investment than their usual run of unit trusts. But charges, I refer particularly to short term statistics: the up expenses to the fund and get term records compare then levy their management surely with many of the charges afterwards.

New linkage

BY ERIC SHORT

AT investors would like in this scheme is that the investor deal investment world is a can accumulate a larger sum with vehicle which delivers through the plan with the goods on a short-term basis. Interest payments, than he would want in building societies if he left them to roll up in the index, a straightaway deposit account. For example, an investor in a short-term investment plan who puts £5,000 a minimum of funds. Again, in the scheme could expect to receive £10,000 after 10 years on less substantial tax advantages. Current Sun Alliance bonus is £1,000. The £5,000 on deposit in the scheme would have grown to £9,984 in 10 years. In addition, the investor would have received age relief on his premiums over the 10 years and had full life cover under the new plan.

But many younger investors and Insure Bonus Plan, use building society investment approaches the linking with the ultimate aim of getting a new angle. The investor's mortgage with favourable rates a jump sum, varying treatment. The new plan will £1,000 to £3,000, with the usual advantages in use as a normal investment, making a deposit when seeking interest on this money is used to pay the monthly sums on a 10-year term. In this respect, the plan is rather short, but the policy has a guaranteed insurance group, using insurability option, so that a capital plan as the life is a traditional with- under the link-back. This sort of linking between investment, can, claims, tax on the premium paid. He is, of course, to include the fact that investing in a flexible way. The ultimate benefit is the life policy at maturity, the free of any taxes and addition to these benefits, policy that will repay a mortgage, a maturity bonus of 10 per cent. of the original sum, a flexible house mortgage end of the 10-year period, repayment scheme—its Economy investment advantage of Plan Plus.

Interest rate uncertainty

BY ERIC SHORT

INVESTORS HAVE seen the classical advice in times of uncertainty is to keep as liquid as possible, and invest when the outlook is clearer. Treasury Bills will provide investors with a return of 8 per cent. gross on an annual basis. Investors should take care, however, in selecting high-coupon short-dated gilts. The highest yields are capital-loss situations.

Low coupon gilts have always attracted higher rate taxpayers, because they do not attract capital gains tax if held for more than one year. Investors who with foresight (or luck) bought gilts at the bottom of the market will have acquired useful potential capital gains on their holdings. It may well be opportune to realise some of these gains and higher rate-payers could switch into a short-term low coupon stock such as Treasury 3 per cent.

The gilt market at present is not a field in which the private investor can look forward, with any confidence, to a useful return. Consols 2½ per cent. will give him a return of 13.7 per cent. gross, still comparatively high. But unless the rate of inflation is brought down and kept down below this level, the investor looking for income will not get a positive return on his money.

The ultimate decision must depend on what investors consider will happen to interest rates over the rest of the year. This hinges on two factors—the contents of the Budget on April 6 and the movement of overseas rates, especially those of the U.S. But the market considers that even with a favourable

Budget, the scope for further reductions in U.K. interest rates is limited. This could reinforce any decision to realise capital gains.

Standard rate taxpayers and smaller investors will probably find the cash investments outside the gilt market to be more attractive. Building Society ac-

The Building Societies Association is meeting on the Friday following the Budget, when a recommendation on rates is expected to be made. What this will be depends very much on the contents of the Budget, but assuming conditions are favourable, a reduction of one half per cent. is likely.

Local authority investment has never been popular with individual investors, despite the higher returns available compared with gilts. Capital gains tax liability and lack of marketability are the two main reasons for this. Yearling bonds have received more attention in recent months and this week the rate on these bonds went up to 10½ per cent. reversing the recent downward trend—a straw in the wind perhaps. A more telling feature is that a return in excess of 12½ per cent. was insufficient to prevent this week's £100m. GLC issues from being undersubscribed.

Now this latter rate stands at 5½ per cent. gross—half that of

CURRENT RETURNS	
Investment	Yield %
Bank Deposits	5½
Building Society	7(a)
Local Authority	10½
Yearling Bonds	8½
Treasury Bills	13.7
Consols 2½%	
(a) Grossed-up 10.77%	

counts have always been popular and this popularity has grown recently. The return has remained steady at 7 per cent. net (10.77 per cent. grossed-up) for a long time, while the return on bank deposits has been steadily reduced as the Minimum Lending Rate has been cut.

Now this latter rate stands at 5½ per cent. gross—half that of

Loan matching

BY TERRY GARRETT

INVESTMENT TRUSTS are moving back into multi-currency loans rather than investing through the dollar premium market. Gradual though this trend is—there has only been some \$40m. raised over the past six months—it conjures up memories of the industry's last spate of overseas loans in 1973-1974 when some managers subsequently burnt their fingers by mis-matching assets and liabilities.

Yet the current situation has some inherent differences to 1973-74. At that time European markets looked particularly attractive and there was an incentive to maximise the potential exchange gains. This not only spawned a series of specialist trusts aimed at individual markets, but also the established trusts were eager to gain wider international portfolios. Fund managers looking for a relatively cheap area to gear up by borrowing, found it in Switzerland where rates were under 3 per cent. Therefore much of the £250m. worth of loans raised during that period was in Swiss francs, for investment elsewhere.

The combination of events and would agree that there is that followed, when stock markets started to turn down, must have been a nightmare to some managers. As market prices fell, asset values were obviously in foreign exchange movements.

Hill Samuel Life Property Fund

There are strong indications of a revival of activity in the property investment market and it is important, as always, to stake your claim before this increased activity becomes reflected in higher prices.

Many things influence property values and most involve some degree of uncertainty. One important and certain factor, however, is the substantial rise in building costs which has already occurred and is unlikely to be reversed.

How to invest

For all but a few very large investors, the most suitable form of property investment will be through a managed property fund. A holding in the Hill Samuel Property Fund may be obtained through the purchase of a Hill Samuel Life Fortune Convertible Bond linked to the Fund.

The Hill Samuel Property Fund is managed by Hill Samuel Life Assurance Limited as part of its total life assurance and annuity funds.

The Hill Samuel Property Fund

Some key facts and figures at latest valuation date (1st March, 1976):

Commencement date:	3rd November 1969
Size of fund:	£18.6m
Number of properties:	48, mainly ranging from £1m to £1.5m in value
Rent reviews due:	On 12 of these properties in next 2 years
Spread of portfolio:	Shops: 20% Offices: 42% Industrial: 32% Developments: 18% (most for completion in early 1976)
Completed:	76%
Cash:	6%

Hill Samuel Life

Hill Samuel Life Assurance Limited ranks as one of the country's major life assurance companies and is a member company of the worldwide Hill Samuel Group.

Unit Price Record

The opening offer price at launch in November 1969 was 100p per unit. Since that date, there have been four distinct phases.

Phase I	A period of steady uninterrupted growth from 100p to a price of 134.0p in March 1973.
Phase II	A substantial 12 month increase from 134.0p to 167.5p in March 1974, when the market peaked.
Phase III	A fall to 121.8p in February 1975 (still 21% above the original offer price) during the market depression.
Phase IV	A recovery starting in March 1975 to today's offer price of 133.9p.

We believe the record shows that property, as managed by the Hill Samuel Property Fund, provides real potential for long term growth and a strong degree of stability, even in times of extreme difficulty.

It is important to remember, of course, that unit prices can fluctuate both up and down in the future as in the past, and that an investment in property is an investment for the long term.

What you should do

To purchase your Bond complete the Proposal Form below and send it with your cheque (minimum investment £500) to the address shown. Your Fortune Convertible Bond will be linked to, and the whole of your money will be used to secure units in, the Hill Samuel Property Fund—at the offer price ruling on the day your cheque is received in any Hill Samuel Life office, subject only to acceptance of your proposal.

Additional facts about Fortune Convertible Bonds linked to the Hill Samuel Property Fund

AUTOMATIC WITHDRAWAL PLAN

You may elect at the outset to make regular withdrawals from your Fortune Convertible Bond up to 5% p.a. of your original investment. If you wish you may increase or decrease the rate of withdrawal at any time. The minimum withdrawal is £1,000 per annum. No basic rate tax is payable on withdrawals, and for withdrawals up to 5% p.a. of your original investment there is favourable treatment for higher rate taxpayers and investment income.

INVESTMENT CONVERSION OPTION

The investment that your Bond may be converted on favourable terms at any time to any other Fund or Trust then available to holders of Fortune Convertible Bonds. These are currently the Hill Samuel Managed Fund, a choice of five Hill Samuel Unit Trusts or the Hill Samuel Money Fund. Details of these Funds and their terms and the conversion terms are available on request.

CASHING THE BOND

Your Fortune Convertible Bond may be cashed, wholly or in part, at any time on written application to Hill Samuel Life. The cash value will be the value of the units allocated to the Bond based on their current bid price at the time, subject only to a deduction for tax on any relevant gains in the unit price (see "Your Personal Tax Position").

GUARANTEED LIFE COVER

Fortune Convertible Bonds provide guaranteed life assurance cover, the amount depending upon your age when you buy your Bond. On death, your estate would receive either the current cash value of your Bond or the sum assured, whichever is the greater.

VALUATION

The units of the Property Fund are accumulation units. All capital appreciation and income less income tax at the life assurance company rate and management charges are accumulated within the Fund and then increase the value of your units. At least once a month the property portfolio is valued by independent professional valuers and the unit prices recalculated, taking into account both income and any change in the value of the underlying investments. The resulting offer, buying and bid prices, are published in the unit price.

CHARGES

An initial charge of 1% is included in the offer price of units. This is repaid by the excess of the offer price over the bid price. There is also a deduction each month from gross rental and other income of 0.2% of the capital value of the portfolio on the Fund and valuation and agents' fees are also deducted.

Hill Samuel Life Proposal for a Fortune Convertible Bond linked to the Hill Samuel Property Fund

To: Hill Samuel Life Assurance Limited, NLA Tower, Croydon CR9 2DR. Tel: 01-686 4355

Surname Mr./Mrs./Miss (Block Capitals Please)

First Name(s)

Address

Occupation

Date of Birth

I wish to invest £ (minimum £500) in a Fortune Convertible Bond linked to the Hill Samuel Property Fund. My cheque for this amount, payable to Hill Samuel Life Assurance Limited, is enclosed.

I shall require regular withdrawals ☐ YES ☐ NO in the amount of £ yearly, half-yearly, quarterly, monthly. (Delete whichever are inapplicable).

If you require payment direct to your bank, please state:

Account No. Name of Account

Name and address of Bank

I am in good health and not suffering from the effect of any past illness, accident or injury.

Signature Date

(If you cannot sign the health declaration above, or if your investment is over £20,000, acceptance will be subject to a medical examination.)

Name and address of insurance broker (if any)

This offer is not open to residents of the Republic of Ireland.

Company Number: 667139 Registered in England. Registered Office: 185 Sloane Street, London SW1X 9QR.

Finance and the family

Malicious prosecution

BY OUR LEGAL STAFF

I have very difficult neighbours who are always complaining to the police. Last year the police actually charged me and forced me to prove my innocence, though the matter did not go to court. The previous occupants of my house had the same trouble and I have decided it is time to take action for malicious prosecution, but have been given conflicting information, especially that I must be found not guilty, that the fact I was charged is enough and that time may have run out. What, please, is your advice?

There are conflicting statements in the cases on this branch of the law, and this has no doubt given rise to the conflict of information. As you do not state what the charge in question was, it is difficult to advise fully. The normal rule is that the proceedings must have terminated in your favour, but this rule is difficult to apply if there was no actual prosecution, and it remains unclear how far a charge which does not result in prosecution may afford a ground for the claim. Dominion cases suggest that it may, but English cases do not yet appear to go that far. You would be wise to consult a solicitor. We do not think that you would be statute barred if the events in question occurred last year.

Beneficiaries and an estate

Can any beneficiary of an estate when it has been wound up, demand to see all the documents concerned? Must all beneficiaries agree? When the administrator has finished his work to whom do the papers belong? Can a person given power of attorney by a beneficiary obtain information? Can beneficiaries propose an auditor to the administrator? Can you please cite your authority for your reply?

Any beneficiary is entitled to inspect the books and documents of the estate and it does not require the consent of other beneficiaries. The documents themselves will normally become the property of the principal beneficiary after the estate has been fully administered. A

beneficiary may exercise his or her right through a properly appointed attorney—the administrator must of course be satisfied as to the validity of the power of attorney. The beneficiaries cannot impose an auditor of their choice on the administrator, they can only dispute the estate accounts themselves: if need be, bringing an administration action in the High Court. The chief authority on the disclosure of trust documents to a beneficiary is *Re Londonderry's Settlement* [1965] Ch. 918.

Validity of a mortgage

Is it correct that as I am advised under the present law, the principal sum secured by a mortgage is limited to the exact amount of the outstanding loan and therefore cannot be linked either to the market value of the house or to the cost of living index so that any property deed containing such provisions cannot be called a mortgage?

We think that your information was not accurate. It is thought that a mortgage of the kind you describe could be a valid mortgage, but not all such mortgages would be so. This is because of the equitable doctrine which invalidates a "clog on the equity of redemption." A decision of the Chancery Division of the High Court in 1967, *Cityland and Property (Holdings) Ltd. v. Dabrah* [1968] Ch. 466, demonstrates the application of this principle to "inflation-linked" mortgages.

A small scale conversion

With reference to your reply under A Small-Scale Conversion (January 24), in our district extension permission under building regulations is necessary. Is not this generally the case?

Our reply was directed to the need for planning permission. It is often the case that other consents, for example, under the Building Regulations, may be required even where planning permission is not required. However if the work conforms

to the Building Regulations there will be no infringement.

Bed-sitter tenant's notice

A person I know pays weekly rent for a bed-sitter, the payment covering the use of the kitchen for breakfast only. He has been given notice. Must he go?

While we cannot advise fully without knowing all the terms of the tenancy agreement, notice to quit, etc., it is more than likely that the tenant has the partial protection afforded by Section 112 of the Rent Act 1968 (assuming that the landlord is not a resident landlord). The tenant should at once seek advice from a solicitor or Citizens' Advice Bureau, and should not vacate unless advised that there is no Rent Act protection.

A clause to be deleted

One of my executors in a former will was a bank, but on drawing up a new will, my solicitor offered to ask two junior members of the firm to act as executors. The draft will reads "no trustee of this will shall be liable for any loss not attributable to his own dishonesty, or to the willful commission by him of an act known by him to be a breach of trust, and in particular he shall not be found to take proceedings against a co-trustee for any breach or alleged breach of trust committed by such co-trustee." Could you explain this clause? Is it preferable to use the bank as executor, in conjunction with the solicitors?

We see no objection to your leaving the solicitors as executors rather than reinstating the bank. Unless your estate is very large the joining of the bank with the solicitors would make the administration of your estate very cumbersome and costly. The clause which you cite is a normal provision in the case of professional executors so far as the first limb is concerned. However, the second part of the clause is less usual and is not appropriate where both executors are solicitors. We think it

would be prudent to require the deletion of that part of the clause as it is designed to cover the case where there are professional and non-professional executors, and the latter may fail to co-operate in the administration of the estate. However, we think that professional people who accept the responsibilities of executorship ought not to seek to divest themselves of the obligation to keep a co-trustee who is also a professional person (and remunerated for his work) up to the mark.

Discoloured teeth claim

My daughter, now aged eight, received treatment for carache when around a year old. The doctor prescribed tetracycline, which has resulted in her permanent teeth being much discoloured. Have we any claim against the GP concerned, or the NHS? Your daughter would only have a claim against the person who prescribed the drug if it can be shown that it was negligent to have prescribed that drug in the light of then current medical opinion. You would have to obtain the opinion of a consultant in the appropriate field to ascertain whether in 1969-70 such prescription would not have been proper.

A disputed valuation

I am contesting the valuation of my newly built house, but have received a rates demand based on it. Can I withhold payment of rates until the Valuation Court decision is known? If not do I have to pay the full amount? What happens if I appeal from the Valuation Court to the Lands Tribunal?

Under Section 7 (3) of the General Rate Act 1967 the rating authority is entitled to recover from you rates not exceeding the sum at which the last effective rate before your appeal was charged. If this proves to have been an overcharge by reason of the result of the appeal, the excess will be credited to you on the next rate demand after the appeal. You will see therefore that you cannot withhold the rates, but you can withhold

No legal responsibility can be accepted by the Financial Times for the accuracy of the answers given in these columns. All inquiries will be answered by post as soon as possible.

A preferential debt

I was employed by a company for six years, on a contract providing for 3 months' notice, and was given my notice on account of redundancy and worked for five weeks, when I was told to go. A receiver has been appointed. Is the balance of eight weeks' salary in lieu of notice a preferential debt?

Unless the company goes into liquidation you will be entitled to pursue your claim in full, as also the claim to any redundancy pay to which you may be entitled. You should pursue your claims at once if the company is not yet in liquidation. After the company has gone into liquidation you would be entitled to claim as a preferential debt up to £200 of your salary during the three months preceding the date of liquidation.

Word inserted in a will

In my will I left the residue of my property between two beneficiaries and later wrote in by hand the word "ultimate" between the words "two" and "beneficiaries". The solicitor and I initialled this addition but did not date it and I am told this could lead to my will being contested. Could it and, if so, what should I do, as I am living abroad?

Although a question might arise as to whether the inserted word ought to be admitted to probate or not, a negative answer would not invalidate the whole will: it would only exclude the word inserted; and that insertion seems unlikely to have any vital effect. If you are in doubt you can execute a codicil to your will (which must be properly witnessed just as the will was, but not necessarily by the same witnesses) stating that you confirm the clause in question including the MS insertion.

IN THE PAST week, inevitably, the main subject of discussion in the insurance world has been the jury award in California to the Kween children for the death of their parents in the Turkish Air Lines crash near Paris just two years ago this week.

This compensation claim, like the other fatal claims arising out of the crash, was made not against the airline (which would have been able to rely upon its contract of carriage to limit its financial liability) but against the manufacturers of the aircraft, McDonnell Douglas: the aircraft had depressurised on losing a cargo door, and the manufacturers had decided not to contest that they were legally liable for this.

The Californian court award amounted to some £740,000, about 15 times what the Kween children could have reasonably been expected to obtain had they brought their claim in Britain, where it is usual for judges and not juries to determine compensation disputes. Strictly in the light of the detailed statute and case law that has been developed for fatal accident claims, the Californian court's award seems to be a fair one. Whatever the eventual outcome after the likely appeal, not all the award will go to the children. In most American compensation claims, the claimant's lawyers normally provide free basis: if there is no award, they take such percentage as was agreed at the outset.

The percentage is fixed having regard to the likely difficulties of the case and of the award. Contingent fee agreements run up to 50 per cent, are not unknown. American juries always take the contingent fee system into account when determining the question "How much?" By contrast, here in Britain, in the handling of accident claims, lawyers are paid having regard to the time and work done, irrespective of success or failure, and without having regard to the amount of the compensation awarded.

Moreover, the amount of the lawyers' remuneration can be subjected to scrutiny by the appropriate court officials—there are detailed rules of court dealing with costs. Whether or not you think that £740,000 might be the appropriate sum to award to two little girls for the death of their parents (less of course the lawyers' fees) rather than the £50,000 that might have been

paid here (exclusive of legal costs), just pause for a moment and ask yourself a question. If in this country we were to have compensation awards on a scale greatly in excess of present levels, not just for aviation accidents, but for motor accidents, accidents at work, and

children we should all have to pay roughly four times the amount of our present motor premiums—which would raise average "comprehensive" motor premium from £50 to £200 and the non average to an even higher level. So the answer to my question "where would the money come from?" then becomes "painfully obvious—answer is out of your pocket and mine."

But the entire impact of any increased level of injury compensation would not be so startlingly direct: there would be hidden side effects. Employer's liability premiums would have to be raised to cover the extra claims costs, and so, the cost of insurance for manufacturers and suppliers of goods and services would have to be increased, and the cost of insurance passed on to all of us who buy those goods and services. By the same token the inevitable increase in the cost of public liability and products liability cover would be channelled back to us, the plaintiffs, users and consumers. Coming back to motor insurance, the cost of compulsory cover to the haulier (and road hauliers carry around 80 per cent of our goods in Britain) is an overhead which has to be paid for in every packet of cornflakes that we buy.

At the present time many people in this country are making strenuous efforts to reduce taxes to levels which would have been unacceptably high only a few years ago. Every single law reform ought at any time to be carefully assessed to determine its overall economic cost to the community balanced against the benefits of the particular reform—the more so in our present straitened economic circumstances.

So, if you feel that either Parliament or our courts should uplift the levels of injury compensation, I must ask you this question: Can you afford the price—and even if you think you can—the rest of us? Not "ought," nor "should," but just simply "can?"

Suppose that overnight the level of injury compensation be increased five times, not just for the fatal claims but for all injury compensation. You will see that insurers will need to spend not just £9 a year for each motor policy but £45—which would mean that our assumed average "comprehensive" premium of £50 would have to be more than doubled. Moreover, to accommodate a general level of damages of the scale awarded to the Kween

children we should all have to pay roughly four times the amount of our present motor premiums—which would raise average "comprehensive" motor premium from £50 to £200 and the non average to an even higher level. So the answer to my question "where would the money come from?" then becomes "painfully obvious—answer is out of your pocket and mine."

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Taxation

The fight to keep pace with inflation

AFTER A couple of years of unconstructive fiscal upheaval, I am not looking for dramatic changes in the Budget due on April 6. We are certainly unwilling to digest further new legislation, and the Inland Revenue themselves are known to have no stomach for it. After the shambles of the Wealth Tax Select Committee, I suspect the Chancellor will be only too pleased quietly to let that idea drop.

The most urgent immediate need is to adjust the schedule of personal tax rates to take account of inflation. Mr. Healey now seems to appreciate this. The table shows the increase in gross income needed at various levels to compensate for a 25 per cent. increase in prices. The figures do not include national insurance contributions nor the possible effect of means-related social security benefits—these would intensify the "sawtooth" of the relationship and increase the required percentage gross rises at the lower end of the scale. This illustration clearly indicates the phenomenon of fiscal drag. At a given structure of tax rates any increase in gross pay until they reach the proportion of the total income paid in taxation, and results in a much less than corresponding increase in net pay.

Faced with this, one of two things can happen. If one concedes that in equity the higher paid need a higher percentage increase in gross salary just to

pay their extra taxes the point will not be widely understood by others who may think (wrongly) that they are being unfairly left out. Moreover, if wages and salaries and therefore costs have to go up by 30 per cent. because of the 20 per cent. increase in prices, either profits will be squeezed, or each round of inflation is at a higher rate than the last. We have already seen the disastrous consequences of both.

If the point is not conceded then real net salaries and living standards will be seriously eroded. Equity apart, and it is high time we re-introduced the concept of fairness into our tax system, this can only mean the country will lose the services of the very people on whom its future depends.

Although it is historically unprecedented and technically implausible for inflation to be cured by any of the expedients listed under the general heading of "Incomes Policy," there may be a case for a short term public relations exercise designed sharply to reduce inflationary expectations. The Government should surely be encouraged in their present policies at least until they have shown to have failed. That being so something must be done about the dilemma of fiscal drag.

One way out would be to remove the pressure for higher gross earnings by restoring net earnings by tax concessions. At executive levels, this could be achieved at relatively little (if

any) immediate revenue foregone.

One would also like to see increases in the money values of the various personal allowances sufficient to keep pace with inflation. Last year's increases in personal allowances only went about half way towards maintaining their real values and therefore meant (rates apart) a material real increase in the tax burden on the lower paid.

We now have a situation

EFFECT OF INFLATION ON SALARY EARNER (Married—Two Children)			
PRESENT INCOME		REQUIRED INCOME TO MEET 25% INFLATION	
Gross	After Tax	After Tax	Gross Equivalent
2,000	1,802	2,253	2,493 (+34%)
4,000	3,102	3,877	5,193 (+30%)
6,000	4,399	5,498	8,012 (+33%)
8,000	5,492	6,866	11,199 (+40%)
10,000	6,386	7,982	14,309 (+45%)
15,000	9,129	10,162	23,504 (+57%)
20,000	11,451	13,114	33,224 (+66%)

where a man earning less than half the national average wage is subjected to tax and national insurance contributions at a rate of 40.5 per cent. (40.75 per cent. from April) on his marginal earnings, and where a widow with a modest investment income based on her husband's savings, is being mulcted at 50 per cent. High taxation is not merely a problem that affects the executive. The vast bulk of the working population in this country is overtaxed.

Unfortunately when we look at the revenue cost of even restoring the real value of personal allowances, of reducing personal tax by one percentage point or by relieving a couple of million people from taxes altogether, the figures are very large. There is nothing that can be done to restore prosperity and choice unless and until public expenditure is really brought under control—none of the paltry trimming of future expansion plans in last

month's disappointing White Paper. We are told, of course, that to reduce the obvious and painful reductions in real wage take-home pay we should look to the "Social Wage" we are also enjoying. I have discussed this before and will also do so again. Meanwhile I would like someone to tell me where, in recent years, there has been a real improvement in the value (not the cost) of publicly provided services. Are our school-leavers

more literate? Have there been material improvements in the quality of the Health Service? Are our dustbins emptied more regularly, and our post delivered more promptly? Are we better defended and are our political masters striving to defend our individual freedoms more vigorously?

So far I have dealt with earned incomes. There have been suggestions that, as some sort of trade-off against improvement in the taxation of earned incomes, the Chancellor might lean more heavily on savers. In particular it has been suggested that capital gains might be subject to full taxation. This would be quite unreasonable. The interaction of taxation with inflation hits the investor harder than anyone else. If he invests in fixed income securities his gross income has been inadequate to keep pace with inflation. Real returns are negative even before tax, and obscenely negative after tax which rises to a ludicrous 98 per cent. Capital gains tax of 30 per cent, making no allowance for inflation, amounts to mulcting investors of about 7 per cent. of their capital every year—a rate far higher than the highest rate of wealth tax proposed for multi-millionaires. The very much hope we shall hear no more of this proposal.

Finally the practicalities. What should the investor do by April 5? Normally he would look at his capital gains position and decide whether to "bed and breakfast" any losses. In view of what I have

just said he might alternatively consider whether he should on the same basis actually take profits before the end of the year. Is it better to pay 30 per cent. tax on January 1, 1977 or to risk having to pay tax at a higher rate, but postponed to January 1, 1978. My personal inclination (at present) is to run profits into next year and take the risk, but this is not a firm prediction.

Next CTT. By April 5 you (and your spouse) should consider making your ration of £1,000 total gifts for the year to April 5, 1975, as thereafter your right to do so expires. You can also, if you wish, make the gifts for the present year at the same time. You should also consider gifts of £100 per recipient. This entitlement is an annual entitlement with no right to carry-forward even for one year.

Finally, April 5 is the last day on which discretionary trusts can be re-organised to create interests in possession at the penalty of 10 per cent. of the normal tax. Thereafter the penalty rises to 12½ per cent. The foolish virgins who have not already taken advice on this point may well find that their solicitors already have a full workload for the rest of this month and may not be able to deal with their cases.

JOHN CHOWN

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Specimen premium rates to provide immediate cover of £50,000 under The LONDON LIFE Capital Safeguard Scheme			
Male life aged not exceeding	Single Life	Joint lives of husband & wife	Sum Assd. payable on second death
40	£297.50	£241.50	
45	£321.00	£268.50	
50	£1,132.50	£573.25	
55	£1,486.50	£781.75	
60	£2,041.00	£1,105.75	

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To The London Life Association Ltd. FREEPOST, London, EC4B 4LL (no stamp required) Please send me details of your Capital Safeguard Scheme.

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Motoring

Well, different it is!

Y STUART MARSHALL

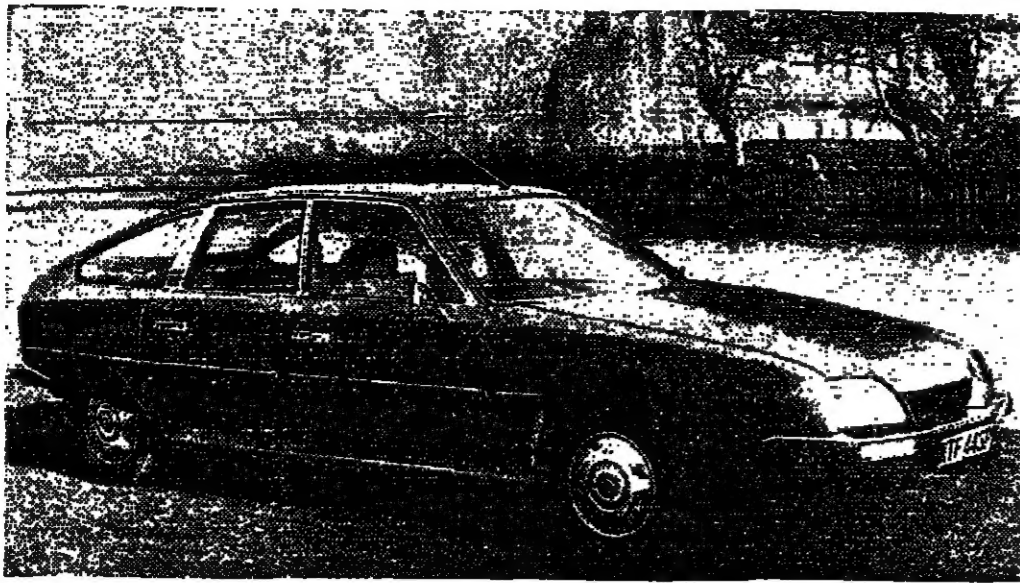
KE ALL Citroëns, the CX comfortable he had put his life as a car you cannot feel assets on). The brake pedal, different toward. If you are, which is no more than a valve on the make, (as I have in the high-pressure hydraulic since first driving a Light circuit, is so low I caught my—the kind Maigret used to shoe under the throttle pedal as the bobbies) you may when I wanted to accelerate inside it the finest Citroën again after braking.

All the switches, instruments and warning lights are clustered in a semi-circular housing as is about. Why, in fact, the CX was ever chosen Car of the Year in 1974.

It is an idiosyncratic machine, development of the DS 19 that the motoring world by 21 years ago. With its dampers that absorb bumps, steering, self-steering, suspension and brakes working a central, high-pressure hydraulic system, it remained read of the field in many respects when retired in favour of the CX last year.

The CX last like the DS 19, appears to have been designed for luxurious long distance travel over bad roads. In these additions it is seen at its best: comfort makes you realise at Citroëns have suspension hills most other cars make do with mere springs. It sweeps long winding roads, cornering with total security and not too much roll, and treating rough surfaces as though they were smooth as billiard tables.

The seats, trimmed in a soft cloth, are superb. (A business league who must have read Citroën's latest advertising copy murmured they were the most



Citroën CX Pallas

Jeff Jones

silence and refinement most British buyers of cars in the £4,000 to £4,500 price class expect. The engine sounds distinctly busy when accelerating and the CX is generally noisier than, say, a Ford Granada at 70 mph. The noise level then stays fairly constant and, with 100 mph indicated, the CX sounds more relaxed than many of its rivals. Its carefully streamlined shape pays off in two ways: wind roar is minimal and fuel consumption is moderate at 23 mpg.

The gearbox—four speeds, not five as in the old "D" series Pallas—does not like to be rushed and the power steering, unique to Citroën, needs a lot of getting used to. It is a complicated system, sensitive to speed and the angle through which the wheels have been turned, and very high geared, with only 24 turns from lock to lock. After a week I was still

being surprised by its sudden response at town speeds. Citroën say that once the car has been set-up for a corner you can hit a brick with the front wheels without being knocked off-course. Maybe so: I am still not sure that it is worth all the bother.

Another aspect of the CX that is off-putting at first is the foot pedal, since depressing the pedal only a fraction of an inch produces an immense braking power. Alongside the handbrake is another small lever which controls ride height. For crossing rough ground or fording flooded roads, the CX can be made to hitch its skirts up. Although the headlamps no longer swivel with the front wheels, their spread and penetration are worthy of a car with a maximum of more than 110 mph.

Visually, the CX is excitingly different. It looks rather like a

four-door version of the now discontinued SM, and will probably seem as advanced in ten years time as it does now. The standard of finish is high and equipment includes electric front windows and a most useful map light on an extending lead.

The CX, like the Retina or Punté, is an acquired taste. I think Citroën would be wise to allow serious prospective customers to drive it for several days, because, at first acquaintance, its drawbacks are more apparent than its advantages. If you do buy one, beware of car washes. When I put the test CX through my local car wash, it smartly removed yards of bright trim from the roof gutters, happily without scarring the paintwork.

The Pallas costs £4,361. Optional extras include leather upholstery (£300) and air conditioning (£449).

Golf

Ready for the big day

IN THE past, grim forebodings have often been expressed some months before the Open Championship about the parlous condition of the chosen venue.

Almost always the course of nature, aided and abetted by much hard and generally unheralded labour by the greens-keeping staff, has saved the day. But the mindless assault by some of my golf writing colleagues on Turnberry last spring was unique in my experience, at least in its effect. Two years before the Open was due to be played at this glorious strip of Ayrshire golfing coastline for the first time in 1977, the championship committee of the R and A saw fit to issue a statement categorically denying publicly expressed rumours that the event was to be moved elsewhere.

The fact that a sophisticated plan devised by Jim Arthur, consultant agronomist to the committee, to bring the Ailsa course up to optimum condition by July 1977, had been implemented in November 1974, was conveniently ignored when Turnberry was found to be in poor condition for the match between Scotland and Belgium's amateurs in mid-April, 1975.

Throughout last year's abnormally dry summer, the condition of the course worsened rather than improved, largely because it was displaying withdrawal symptoms. It has been agreed by all the parties concerned that the greens had become too soft and too slow. Much coarse meadowgrass was appearing on the fairways so the use of inorganic chemicals was drastically reduced, and then discontinued altogether, with the result that the poor grass in question withered and started to die.

By contrast, the periodic aeration and thinning of the course to a depth of eight inches, and continual scarification during the growing season, had prepared the course for treatment by organic dressings, topsoil, fen peat, sand and compost prepared to a secret recipe. But in 1975, when the automatic watering system was installed to enable trees, greens and their southern approaches to be irrigated other than by hand and hose pipe, it was too early to see any visible improvement, so that the ignorant knocking campaign gathered strength

until the championship committee was virtually forced to express a vote of confidence in Turnberry.

All this time, greenkeeper Jimmy McCubbin, born at nearby Maybole 60 years ago—37 of them spent on the Turnberry Hotel staff—maintained what many took to be an ignorant silence on the subject. The fact that he had been ordered to remain that way at meetings when asked a direct question, and looked for guidance from a superior in the form of a nodded yea or nay before answering, is strangely typical. So often expert men of the soil are treated like this. But this January Mr.

another pot bunker placed

Arguments have raged around Turnberry's Ailsa course, which has to be in peak condition for the Open in the summer of 1977. BEN WRIGHT examines the issues, and casts doubts upon the doubters

McCubbin formally took charge of the 11-strong greens-keeping staff, and as I saw last week-end their months of Herculean effort are finally bearing fruit. Turnberry's verdant condition is so improved against all the odds—weather-wise and otherwise—as to be easily distinguishable from last summer.

The major structural changes to the course have been carried out, namely the building of six new championship tees. But so much more has also been accomplished. Tons of turf, much of it from the practice ground and the practice putting greens—the latter will be the site of the new club house extension—have been used to patch the worst hit areas. Perhaps the most impressive aspect of the exercise, however, has been the creation of new bunkers and the enlargement of others.

At the first hole the tee has been moved to the right to create more of a dog leg and tighten up the hole. But more significantly the big bunker in front of the green has been enlarged to its left. The trough in the middle of the third fairway that so conveniently gathered the ball towards the

beside the green is a masterpiece of potential torture.

Two bunkers to the right of the fairway at the par five seventh hole have done much to tighten up the drive, while the existing trap in the left has been greatly extended in the shape of a horse shoe, which, amongst other things, prevents sand being blown out. A new crescent-shaped lee to the right of those existing at the eighth hole has straightened it and brought the fairway bunkers to the right more into play, although this is the one fairway that continues to give cause for concern.

The new 13th tee placed behind the ninth green has added 35 yards to a rather undistinguished hole, while the par three 15th has been shortened by 20 yards and marvellously improved by a new pot bunker to the front and right of the green.

In a nutshell, Turnberry can seldom have looked healthier at this time of year. The knockers, though, are still not satisfied. Now they are saying that because several holes have been shortened rather than lengthened, the world's best will tear the Ailsa course to pieces in 16 months' time. I doubt it.

Stamps

Thank-you letters to Mr. Bell

AYING A rare compliment to rival form of communication, many of the world's postal administrations are issuing stamps in the next week or so to celebrate the centenary of the first telephone transmission. The stamps are also a tribute to the genius of the Scottish physicist and educationist, Alexander Graham Bell.

Bell made his philatelic debut in 1941 when he was portrayed on a stamp in the inventors series of the U.S. Three years later Argentina featured him on a stamp in the Postmen's series, and in 1947 the centenary of his birth was celebrated by a Canadian stamp. Relatively few of the stamps

now being issued bear his portrait. Switzerland's 80c stamp shows the original Bell telephone and a modern instrument, though Bell and his famous first words to Mr. Watson are shown on the First Day cover. The theme of telephones old and new is used for the Rhodesian 3c stamp, but the 14c bears Bell's portrait. The

More on Mr. Bell and his invention, Page 13

of Sweden's Kr.3.40 stamp, France is to release a stamp in April or May and details have not yet been announced, although the French Post Office in Andorra is issuing a Fr.1 stamp showing a modern handset and a telecommunications satellite.

Nigeria is issuing a set of three stamps on March 10 and Kuwait and India are releasing single stamps on the same day. Two issues actually show Bell using early telephones with their separate transmitter and receiver. Australia's 18 cent stamp, designed by Robert Jaggen, shows Bell using the type of 1878 known popularly as a William's Coffin.

Britain's contribution to the centenary celebrations is a set of four designed by Philip Sharland and highlighting the importance of the telephone to the community. The four everyday situations are a housewife having a cosy chat (8p), a policeman dealing with an emergency call (10p), a district nurse making a social welfare call (11p) and an industrialist at work (13p). The nice balance of two male and two female subjects is presumably a sign of the times.

JAMES MACKAY

Chess

Miles pushes on

ANY MILES, Britain's first grandmaster, is testing time week and next when he sets the leading U.S. players the National Open in Las Vegas and Russia's former world champion Petrosian and Smyslov to tournament in California. Miles is still a long way from ambition to challenge the going world champion Anatoly Karpov, but an analysis of his recent results and his attainment of the GM title at age 20 shows a distinguished company.

Officially, Miles becomes a grandmaster when his new title formally issued by the International Chess Federation (FIDE) at its next meeting in October. Only three players have ever been FIDE-rated grandmasters before the age of 20: Bobby Fischer at 15, Boris Spassky at 18, and Karpov at 24, and it is interesting to note that even Karpov's performance at Ljubljana, of whom all bar barmen were or are world title contenders (in Tal's case world champion), he nine others besides Miles had their FIDE grandmaster title conferred at age 21. Miles, Hubner and Larsen, who played in the world-championship candidates eliminator, Hort, Andersson and Beliavsky who could all easily do so are long.

Judged on the quality of their games, Alekhine, Keres and

Smyslov would have been FIDE grandmasters at 21 and Morphy and Pine at 21. Of course few of these players had the advantage of playing international chess in their teens like today's grandmasters, while Capablanca, for instance, though not scoring the equivalent of a modern GM norm until 23, was clearly a strong grandmaster by the time of his match with Marshall at age 21.

Tony Miles ranks a modest No. 70 in the recently issued FIDE list which assesses plays in the period up to October 1975. But Miles has forged ahead in recent months starting with his first prize in London last August, and his international results since then are equivalent to a place in the world's top 35, with a British rating over 2400, his last 70-odd games of 243, or usky at 15, and Karpov at 2,445 on the international scale. "And it is interesting to note that even Karpov's performance at Ljubljana, of whom all bar barmen were or are world title contenders (in Tal's case world champion), he nine others besides Miles had their FIDE grandmaster title conferred at age 21. Miles, Hubner and Larsen, who played in the world-championship candidates eliminator, Hort, Andersson and Beliavsky who could all easily do so are long.

Judged on the quality of their games, Alekhine, Keres and

last year's Birmingham international against the then reigning British champion, White: A. J. Miles, Black: G. S. Botterill. Opening: 1 P-KN3 (Birmingham 1975).

The opening moves were 1 P-KN3 (Miles rarely tries for a quick kill in the opening and likes this move which often leads to a middle game with few piece exchanges), P-K4; 2 B-N2, N-QB3; 3 P-QB4, N-B3; 4 P-Q3, B-N3 ch; 5 B-Q2, P-QR4; 6 N-QB3, Q-Q; 7 N-B3, R-K1; 8 Q-Q; 9 R-B1, B-N; 10 B-B, P-Q4; 11 P-P, N-P; 12 Q-R4!

Black's plan is to occupy the centre in classical style while restraining White's queen's side pawns; the drawback is weakness on the light squares which Miles now fights with queen and minor pieces.

12 Q-Q3; 13 N-Q2, N-N3; 14 Q-N5, B-Q2; 15 N-B4, N-N; 16 Q-N; 17 B-K3; 18 Q-N5, N-Q3; 19 B-B2, P-R5; 20 B-P!

Accurate calculation. If now 20... KR-N1; 21 KR-B1 threatens 22 R-P.

21 Q-RN1; 21 Q-P! B-P; 22 R(1)-B1, B-Q4; 23 B-B, P-R5, Q-K3; 24 R(1)-B2, after the complications, White wins a second pawn and the game.

25... R-R1; 26 Q-P, R-R3 ch; 27 K-N2, Q-R7; 28 Q-Q7, Q-R1 ch; 29 Q-B6, Resigns. A win typical of Miles's practical style and accuracy in calculation.



POSITION No. 104
BLACK (4 moves)
WHITE (4 moves)



WHITE (6 moves)
BLACK (4 moves)

White mates in two moves, against any defence (by Sam Loyd, "Spirit of the Times", 1887).

Solutions Page 1
LEONARD BARDEN

Bridge

Lessons for the Lords

THE SECOND Lord, versus common match, "celebrity" in spades in both rooms. There sat at the Coq d'Or restaurant is nothing to the play of the t was a great success. The hand, but in the room in which names were expected to be watching the South player nge their defeat in last night had been more selective r's match, and they did so, in his use of the Blackwood convention, they caused their supporters little anxiety by a shake start the very first hand. The ds had bid and made six rts in one room, while the smons in the other room uped at five hearts, and went down due to some mental ration.

ist before lunch, the follow deal occurred:

N. ♠A542
♥QJ10
♦754
♣AK74

W. ♠7
♥QJ7654
♦8632
♣Q109

E. ♠10987
♥QJ7654
♦8632
♣Q109

S. ♠KQJ863
♥AQ32
♦AK
♣8

This was bid to a small slam match, "celebrity" in spades in both rooms. There sat at the Coq d'Or restaurant is nothing to the play of the t was a great success. The hand, but in the room in which names were expected to be watching the South player nge their defeat in last night had been more selective r's match, and they did so, in his use of the Blackwood convention, they caused their supporters little anxiety by a shake start the very first hand. The ds had bid and made six rts in one room, while the smons in the other room uped at five hearts, and went down due to some mental ration.

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♥QJ7654
♦8632
♣Q109

S. ♠KQJ863
♥AQ32
♦AK
♣8

In both rooms South played in a final contract of four hearts, making eleven tricks. In my room East doubled for no very good reason. As South had opened the bidding, I was surprised that North did not redouble. A rescue into spades would have cost 800.

With good breaks in both red suits, there was no problem in the play, but I thought I saw the possibility of making twelve tricks.

After one heart by South, the West player pre-empted with

three spades. North raised to four hearts, and all passed. West leads the spade King, which dummy ducks, and we ruff in hand. We draw three rounds of trumps, and then cash three rounds of diamonds. At this stage we have a count of West's hand. We know he had two hearts and three diamonds, and from his preemptive bid we place him with seven spades. In that case he has only one club, and if that is either the Ace or the King, we will catch him in an endplay.

So we lead a club which he has to take, and now he must lead into the spade tenace on the table. It does not help East to overtake the King with his Ace, because he is then endplayed, and can choose whether to lead a spade, or a club into the declarer's split tenace.

The result of the match was a win for the Commons by some two thousand points, which gave the Guardian Trophy to hold for one year.

E. P. C. COTTER

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How to spend it

by Lucia van der Post

THE PEN ULTIMATE...

ALCANTARA have been such a prominent executive for so long that I thought there was little more they could do with them. First they were so expensive that only the elite could afford them, then they became cheaper so that every executive could have one if he needed one and then they became slimmer and slimmer so that I thought it possible they were exhausted. I was wrong. Two more versions of the calculator are now on the market.

But first, ever fast with the latest, are very excited about the Calcu Pen which, as its name suggests, is a combination of pen and calculator. You need to have taken a degree in instruction booklets to have the stamina to get through this one but, should you do so, you will be rewarded with understanding how to operate the latest thing in the calculator market.

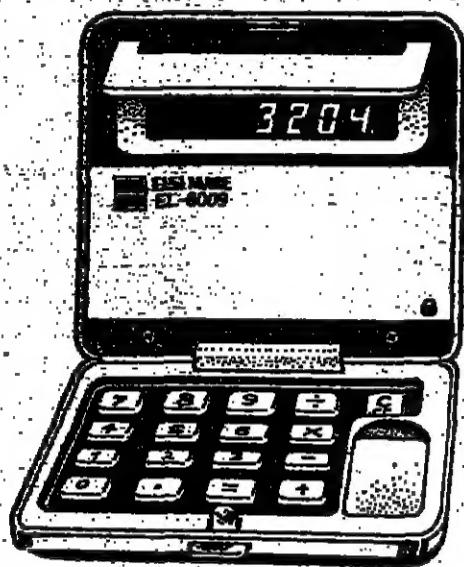
Not having such stamina I haven't read every word, or the calculator part of the pen (the pen part is, needless to say, of secondary importance and is an ordinary ball-point) begins to operate once a switch at the bottom of the pen is turned.

Because the key operational section has had to be fitted into a relatively narrow space, the width of a pen, though admittedly a slightly wider than usual pen, each key has a pressure point covering a different number or sign. The indicator window is alongside.

I would think almost every schoolboy would be expected to take on a newspaper round to have one of these, but at £49.95 it will take some saving-up for. More elegant executives might like one, too, and they can always be themselves that, fitting into a top-pocket as it does, it is really an essential practical tool of everyday business.

It is available from Alcantara, of 47, Golden Green Road, London, NW11 8EL, who will also send by post for 50p extra.

THE COMPACT CALCULATOR



Drawing: Frank Wheeler

THE SECOND new calculator is the slimmest and the most elegant that I have yet seen. It measures 3 1/2" by 2 1/2" and looks rather like a slim powder compact, folding together with a powder compact's mechanism. It would fit easily and neatly into any suit pocket.

It is, according to Heritage Club, who are selling it, the first of the Liquid Quartz calculators and it runs on tiny batteries. It is like the one used for hearing-aids. It seems to me, according to the simple to use and it has nearly all the functions of many much larger calculators—it has multiplication, division, addition, subtraction, overflow error check device, reciprocal calculation and so on.

When folded up the top looks rather elegant as it is finished in red or black (to choice) leather and Heritage Club will print names or initials in silver on the leather. It is a 10 letterer are included in the cost of £29.50. Delivery is about 10 days. Write to Heritage Club, 407, Holloway Road, London, N7 8BJ, who will only sell the calculator by mail.

TRADITIONAL BRITISH PUDDINGS

BY PHILIPPA DAVENPORT



there's usually a squabble to see who gets the last mouthful.

ASCOT PUDDING

SERVES 4-6

This recipe combines two guaranteed winners—meringue and chocolate. The result is very delicious and full of nostalgic memories for me: it was served at my convent school to celebrate holidays and holy days.

1 lb butter, 6 oz. castor sugar, 2 eggs, 6 oz. plain flour, 4 tablespoons cocoa powder, 1 teaspoon cream of tartar, 1 teaspoon bicarbonate of soda, 4.5 tablespoons milk, 2 generous 1 pt. chocolate sauce.

Beat the butter and 1 lb sugar until creamy, then beat in the egg yolks one at a time. Mix the dry ingredients together and sift them. Fold half the dry mixture into the creamed butter and egg mixture. Stir in 4 tablespoons milk, fold in the remaining dry mixture and finally stir in a little more milk as necessary. Pour into a buttered pie dish. Use a spoon to spread the mixture so that the centre of the pudding is slightly concave. Bake at 350°F, gas mark 4, for 1 1/2 hours. Then pour the chocolate sauce on top of the pudding and cover with meringue mixture made from remaining sugar and egg whites. Reduce oven to 275°F, gas mark 1, and continue cooking for 30 minutes until meringue is just set. Serve with thin cream flavoured with a little rum if liked.

TREACLE SPONGE

SERVES 4

A firm favourite among devotees of steamed puddings—sticky, rich and sweet but tempered with the sharpness of lemon.

Golden syrup, 1 large lemon, 3 oz. butter, 1 tablespoon castor sugar, 2 eggs, 1 lb self-raising flour.

Butter a 1 1/2 pt pudding basin and put 3 tablespoons syrup in the bottom of it. Put 5 table spoons syrup in a large mixing bowl, add the butter, sugar and lemon juice. Beat till creamy. Beat in the eggs, then gradually blend in the sifted flour. Stir in a tablespoon of lemon juice. Pour into the prepared pudding basin. Cover and steam for 1 1/2 hours, topping up with boiling water as necessary. Turn out on to a warm serving dish and serve with marmalade sauce or—infinitely preferable—plenty of brandy butter.



One of the most exciting developments in fabrics that I've come across in a long time is the new Alcantara, a wonderfully soft, man-made fabric that looks almost exactly like suede and yet is completely washable, even machine-washable.

Until now suede has been a luxury material, made even more beyond the reach of most of us because it is difficult, not to say expensive, to keep it looking pristine. With the new Alcantara no such problems exist—the pale colours become possible and indeed the silver grey is to my mind one of the most attractive of the colours it comes in.

Strelitz, the fashion firm, are bringing out a complete collection of clothes made from Alcantara, including the dress in our photograph, above. Made up in the soft silver grey (though of course it does come in other colours like mustard and navy) the dress, above, costs £85 and comes in sizes 10 to 16. Simpsons of Piccadilly will have it from mid-April. Crofts of Harrogate have some of the collection already. Apart from this dress there is a lovely simple tube dress, a snappy shirt and matching bolero, a chic plain shirt-dress and a safari suit.

If you're interested in any of these clothes write to Strelitz, Liberty House, 222 Regent Street, London, W.1 for further details of styles, prices and stockists.

For those of you who will be following Agnes Kimmerley's advice of last week and taking to their sewing machines, I haven't, alas, been able to track Alcantara down in the shops. Harrods of Knightsbridge sell what seems to be the nearest equivalent on the market. Their man-made "suede" goes by the name of Novosham and it, too, is totally washable, including machine-washable, and it sells for £10 per metre, 70cm wide. It is available in light and dark green, blue, red, black, neutral, grey and "almost white".

INTO SAFE KEEPING



PEOPLE who have precious jewels seem also to be able to afford to travel and if you do travel with your jewellery you want to be able to wear it. So where do you keep your jewellery so that it is both accessible and safe from burglars? The answer might well be a very new device, called the "Bubble Box", which has just arrived in Britain.

The "Bubble Box" is small enough to be totally portable, it measures some 6 1/2 inches in diameter and is light and easy to pick up. When you want to use the "Bubble Box" as a safe you first stop your jewellery into the soft little pouched envelopes that are provided. These are then put into the box. You then need to find a smooth, non-porous surface, either vertical or horizontal, and a little red lever inside the box enables you to make the box attach so firmly to the surface that it cannot be removed until the red lever is operated again. It works on the suction principle and any surface like mirror, marble, wall-to-wall, plastic, or sheet iron could be used. The lid of the box is then closed and locked and not even the strongest burglar will be able to remove it without a battery of tools.

When you want to remove the bubble box you unlock the lid, release the lever which in turn releases the suction and the box is free. It seems to me a good idea not just for those who travel a great deal but it is a useful way of keeping jewellery at home without constantly worrying about burglary. It is remarkably inoffensive looking, being of a silvery chrome and quite smooth finished. Etcetera of 47, Golden Green Road, London, NW11 8EL sell it for £29.95 and they will send by post for an extra £1.00.

ORLANDO'S PUDDING

SERVES 4

The most aromatic of all steamed puddings and I like to glid it by serving it with ice cold brandy butter.

2 oz. fresh brown breadcrumbs, 2 oz. self-raising flour, 2 oz. suet, 2 oz. brown sugar, 2 lemons, 4 tablespoons marmalade, 1 egg.

Put the breadcrumbs in a large mixing bowl. Add the sifted flour, suet and sugar. Stir to mix well, then add the grated zest of both lemons and four table spoons each of freshly squeezed lemon juice and thick cut marmalade. Stir again to mix evenly, then add in the lightly beaten egg. Turn into a well buttered pudding basin. Cover and steam for 1 1/2 hours, topping up with boiling water as necessary. Turn out on to a warm serving dish and serve with marmalade sauce or—infinitely preferable—plenty of brandy butter.

CHEAP CHIC

ADMIRERS of Gordon L. Clarke's designs and other Medina clothes might like to know that a tiny little shop at 102, Draycott Avenue, London, S.W.3, has been turned into a permanent mecca for those in search of real bargains. Something from almost all the usual Medina ranges will eventually find their way there. The idea is that Medina On Sale, as the shop is called, will sell out-of-season stock, like last summer's Mic-Mac designs, Mohanjet, Carroll Knits, Brosseau hats, and so on.

Apart from helping those who like to be chic to buy at lower prices (provided they don't mind wearing last year's as opposed to this year's latest thing), it should also help those who are lucky enough to go to hot places at unseasonable times of the year. Medina On Sale should nearly always be able to offer a good stock of end-of-range summer clothes.

SHIRT CUTS

FOR ANYBODY who is very busy (and I don't know anybody who isn't any more) Prestige Shirts of 3, Kingly Street, London, W.1, offers a service that could be a boon for those who live or work in or near London.

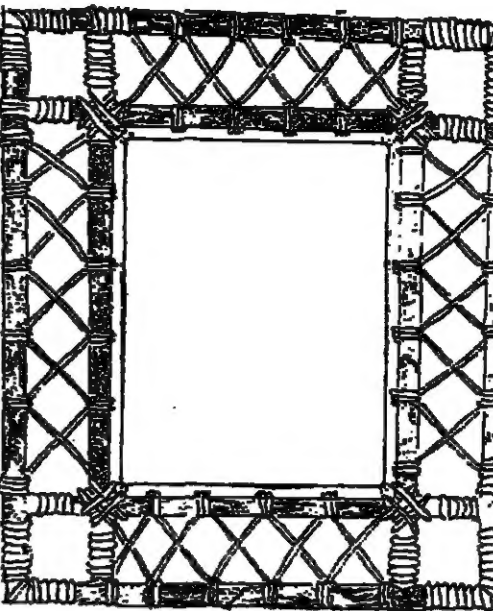
What they offer is made-to-measure shirts without the bother of having to travel to be measured—they come to you. Somebody calls, by appointment, at either the house or the office and measures up the customer. He brings with him hundreds of patterns of cotton, mixtures, silk and man-made fibres, in plains, checks, stripes, patterns, from which the customer chooses the fabric he wants. They also offer a selection of collar styles, cuffs and fronts and those who like embroidered monograms may have them.

The price of the shirt obviously varies depending on the fabric used but they start at £8.50, including VAT. Contact Prestige Shirts at the above address or by telephone 01-439 6866.

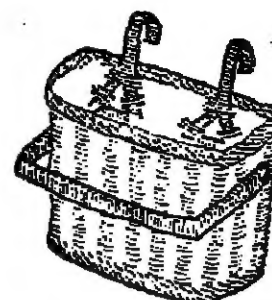
THE BAMBOO BOOM

JUDGING by the current craze for cane and rattan furniture, which starts out of every magazine and many television series, there must be a similar demand for bamboo accessories. After all, they have much the same look as the furniture—they look light, delicate, rustic and very unpretentious. Cane has clearly gone a bundle on bamboo this year and their shop is full of Eastern looking things.

For those who haven't very much to spend they have some particularly attractive hangers made in the Philippines of bamboo and the guest, the skirt and the S-shaped hanger all cost 75p each (20p p+p), whilst the trousers hanger which has four cross bars costs £2.79 (36p p+p). They are very much prettier than those ubiquitous wire hangers and would make a charming small present.



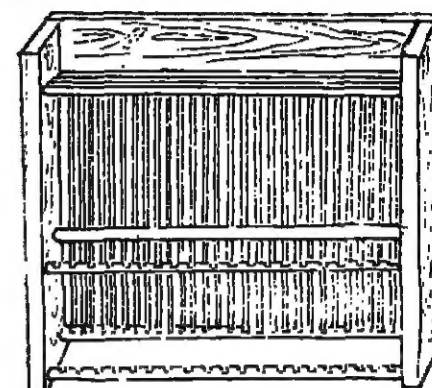
Other items include delicate mirrors—this rectangular one measures 28 in. by 23 1/2 in., and the rectangle of mirror is surrounded by some very attractive bamboo work, £19.85. An oval mirror, less ornate, measuring 24 in. by 14 1/2 in. is £13.78. Cuccino usually post most things but regret that, for obvious reasons, they can't send the mirrors by post.



Rattan bicycle basket, above, has handlebar hooks as well as carrying handle for pedestrians use. There are four sizes, starting at 9 1/2 in. wide by 7 in. by 5 1/2 in. for £2.42 and going up to 14 1/2 in. wide by 9 1/2 in. by 8 in. for £3.92 45p p+p extra.

PLAIN PINE

I have a personal antipathy to plastic draining racks so if I needed one, which I don't, I would buy Cuccino's nice plain pine plate rack which will take 24 large plates, 24 small plates, as well as plenty of glasses and mugs. It arrives complete with wall mountings and can be varnished, painted or left plain. It measures 21 1/2 in. wide by 22 1/2 in. tall by 7 in. deep. It is £13.12 and could be sent BRS.



For those who are still without their cane rattan furniture it is worth visiting Cuccino who have some new dark bamboo and cane furniture in from Malta. They have two shops, one at 8, England Lane, London, N.W.3 and the other at 40, Ledbroke Grove, London, W.11. For those who live out of London they have a comprehensive mail order leaflet.

HOUSE PROUD



NOW I know that lots of people, colours of her very English like Fleur Cowles and other famous names, have not the slightest trouble in picking up their needles and producing their own highly individual and very artistic tapestry pictures. Most of us, however, are not so gifted, so the service that Mrs. Theo Flower is offering could be of interest to many readers, particularly those who live in houses that are either very old or very new. Mrs. Theo Flower, of The Yew, Penshurst, Tonbridge, Kent, designed and made the tapestry chair seat cover photographed left. She has transferred to canvas and wool a picture of her own house and done so very charmingly, reproducing carefully the gentle English one.

How do you say "sorry I'm late" to the Queen of England?

Meet a man who had that problem. His name is Robert Burdeyron, and he's Head Porter at our hotel.

The incident happened two years ago, and began with the arrival of a guest from Washington D.C.

The gentleman had stayed with us a number of times and knew Robert well. But on this occasion he could barely raise a smile when they shook hands.

"Burdy," he explained, "I'm in a jam. My flight was delayed and right now I'm supposed to be half-way to Balmoral Castle to take tea with your Queen."

"Damn it, Burdy, how do I apologize for being four hours late?"

Fire-car or train were out of the question. (Balmoral is west of Aberdeen.) And there were no scheduled flights that day. The answer was a private jet. But, and it was a big but, the nearest airport was 70 miles from the Royal residence, and country roads all the way.

Undaunted, Robert made a couple of telephone calls. Within 40 minutes he had obtained permission to land a private plane on a naval air-station 15 minutes' from Balmoral. Our guest kept his appointment. (After 20 years at Grosvenor House, you know whom to telephone.)

Robert dismisses the whole thing as being part and parcel of the job. Just like the time he arranged for another of our guests to meet a swan-upper, and the day he gave the first and third horses in the Epsom Derby. (He's not even a racing man.)

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PHOTOGRAPH BY LICHFIELD



Hotels

Grosvenor House, Park Lane, London.

Property and housing

A resort with time on its side

BY DAVID FREUD

ANZERE, the modern purpose-built skiing resort in the Valais, has been hard hit by the ambivalent Swiss attitude to the foreigner. Its development is now about five years behind the original schedule and apartment sales are relatively sluggish. In contrast, the French third-generation resorts are experiencing lively demand.

The resort, which got under way properly in 1968, is the only purpose-built mountain village in Switzerland apart from the nearby less ambitious Thyon. Its growth has fallen under a shadow since June 1972 when the Lex Furgler banned all property sales to foreigners. Some months later the absolute ban was lifted but replacement legislation enforces a 65 per cent. maximum of foreign sales. Since the resort has experienced a natural sale rate to Swiss nationals of just over 10 per cent, the discrepancy remains a difficult problem.

About two hours' drive from Geneva, and three hours by public transport, Anzère is situated 10 miles from Sion, facing south. It reaps the benefit of an annual number of sunshine hours that compares with the Côte d'Azur. The view across the valley to the Haute Route peaks is unparalleled. The design, construction and style of the buildings match the superlatives of their situation. The chalet blocks, each containing up to 100 apartments, blend into the mountain background due to the natural materials used on the exteriors. While varying in materials, colour and detail, 15 or so blocks have a coherence of style that is visually delightful.

Most of the blocks are grouped round a lozenge-shaped square, which also encloses the main shopping facilities and the two hotels. With the absence of cars, the architects, Jean Rentsch and Associates, have ensured that children can be allowed to wander off on their own to play without fears over their safety.

Under the square, parking facilities are provided for 400 cars, and also, incidentally, alternative entrances to the apartment blocks. The cable-car entrance is 100 metres to the west of the main square.

The interiors of the apartments are of a very high



Modern apartments in traditional style.

quality, the common characteristic being a spaciousness unusual in mountain resorts. A typical two-bedroom apartment is at least 60 square metres. Most have tiled balconies with wooden railings, completely equipped kitchens, open fireplaces and pine wall-covering. Good thermal and sound insulation, common central heating and rubbish chutes are other features. Some of the apartments are magnificent enough to serve as film sets.

Swiss rules

The current ownership mix is dominated by France and Germany, with 25 per cent. of the total each. Italian, Swiss and British nationals each own around 12 per cent. of the apartments, while purchasers from Benelux countries take up another 7 per cent. The statistics for rentals show a somewhat different pattern, with Benelux taking nearly 40 per cent. in the year to May 1975. British and Italian rentals through the letting agency at Anzère hover at around 2 per cent. each. The current number of beds in the resort is just over 5,000 and the maximum growth possible within Swiss building regulations is up to 10,000 beds.

At present the skiing is still somewhat limited. There are

seven main ski lifts, with a total length of about six miles, giving access to 10 miles of piste. The skiing is enjoyable, with one long run to Les Rousses a particular favourite. The main drawback is that the main route down to the village faces due south and deteriorates very rapidly without regular falls of snow. Excellent off-piste possibilities offer some compensation.

Anzère will come into its own when the planned cable up to the Wildhorn glacier is erected, which at 3,247 metres is 1,750 metres above the village. This will be economically feasible when there are 8,000 beds—originally scheduled for this year. Now no one is committing himself to a date, though it is unlikely to be before 1980.

When the Wildhorn is opened it will be one of the best skiing areas in the world. The planned Tunnel de Rawil nearby which will link the cantons of Bern and Valais will permit return trips from Wildhorn-Lenk runs, as well as opening up other downhill routes.

From the British purchaser's standpoint an apartment in Anzère is at best a medium-term investment. Running costs are high, although the small sample of British owners I questioned found it just possible to cover them by letting.

Taxation is a major expense, with demands at communal, cantonal and Federal level. The average for my sample of one- and two-bedroom apartments was £500 for 1975. Maintenance and service charges came to another £500. Owners found that by economising high season themselves they could earn the £1,000, allowing for 25 per cent. commission to the resort's letting office, in ten weeks of rentals. Anzère's popularity in summer is a major factor.

Swiss law prevents short-term property speculation in the apartments. Resale is forbidden within ten years without very good reason, and capital gains tax only ceases to operate after 15 years. Nor is any owner officially permitted to stay in Switzerland for longer than two three-monthly periods each year. There is, however, no machinery to enforce this law. Finally, a plus factor for the hard-pressed Briton: the Valais is one of only three cantons which do not have death duties.

The economic outlook of the resort is slowly recovering following the savage blow of the Lex Furgler, after which the annual apartment sales slumped from Sw.Frs.25m. (£3.3m.) to Sw.Frs.1m. (£0.76m.). SAREM, the skiffit operating company,

is expected to show a modest profit this year for the first time—five years behind schedule.

Credit is probably strong enough to enable the holding company of Pro Anzère to hold for letting on its own account flats which cannot be sold due to the 65 per cent. rule. In 1975 the company was able to overcome liquidity problems with no hardship by raising Sw.Frs.5.25m. (£1m.) through a rights issue. Of a total Sw.Frs.172m. (£32m.) investment by Pro Anzère, which was established with a majority of Swiss capital and French and Belgian minority stakes, Sw.Frs.105m. (£20m.) has been recovered through sales.

At present there are 45 apartments available for sale, from a total of about 800. Of these 22 can be sold to foreigners, and Pro Anzère reserves the best apartments at each price for sale to Swiss nationals.

Double block

Work will begin on a double chalet block of 100 apartments called Cristal in the spring for completion by Christmas 1977. Prices average Sw.Frs.50,000 (£10,600) for a single room; from Sw.Frs.190,000 (£38,000) for a two-bedroom apartment of 60 square metres to Sw.Frs.230,000 (£47,500) for 80 square metres; and Sw.Frs.320,000 (£64,000) for a three-bedroom apartment of 110 square metres. The dollar premium at current levels adds another 47 per cent. to the cost. Selling agents in the U.K. are Knight, Frank and Rutley, 20, Hanover Square, W1.

Whatever the current problems, Anzère must eventually prove an all-round success. It lies just below what is potentially one of the best skiing areas of the Alps, the quality of building is high, the layout of the village convenient and the visual effect charming. It has the added bonus that Swiss law prevents competition. No new resorts may be started, but in any case it is now difficult to find suitable land of the area required—1m. square metres is a minimum requirement. Anzère has time on its side.

HOME NEWS

Felixstowe Docks Board rejects higher offer

FINANCIAL TIMES REPORTER

THE BOARD of Felixstowe Dock and Harbour has rejected a higher offer by the State-owned British Transport Docks Board, in spite of a higher offer by European Ferries.

The Board makes no firm recommendation to shareholders, but comes down in favour of the BTDB for long-term development.

A factor which may have weighed with the Board is that even a successful European Ferries acquisition would still leave question-marks over the future of the port because the Government is committed to nationalisation.

The unanimous statement by the Felixstowe company dispels doubt that the Board might be wavering in its commitment to the British Transport Docks Board take-over.

A Private Bill is now going through Parliament to vest control with the BTDB at a purchase price of 150p a share at a value of about 198p.

The situation has been complicated by the surprise intervention by European Ferries, which has been welcomed by the BTDB. The BTDB welcomed the decision to support its proposals. Sir Humphrey Stirling, Chairman, said: "My Board are naturally pleased that we continue to have the full support of the Felixstowe Board. The late intervention by European Ferries has created uncertainty about the future of the port which, if prolonged, could have damaging effects on Felixstowe."

"We, therefore, emphasise our resolve to see the matter through to a successful conclusion." The Board hoped the Bill would receive Royal Assent later this year.

"We shall then be in a position to ensure the continued development of the port, backed by the full resources of the British Transport Docks Board."

"We have undertaken to do everything possible to encourage the growth and prosperity of the port, using our experience as a profitable port authority build on Felixstowe's success," said Sir Humphrey.

The £4m. loan to the Northern Investment Bank will be a second contribution by the European Investment Bank towards financing the £100m. Kielder water scheme. In October, the Bank provided a loan of £7.5m. to the Northern Investment Bank. Interest on the loans is 8½ per cent. but to the extent that commitments entered into in building (North-West) and ship commitments entered into in building (North-East), the foreign currencies are insured European Investment Bank said against forward exchange rate movements through a Treasury placement scheme, the authorities face additional costs, though the borrowing will remain cheap by domestic standards.

The European Investment Bank is the European Economic Community's longest-term finance institution. The loans will go towards water supply projects.

Water boards to receive £13m. in Euroloans

BY DONALD MACLEAN

LOANS equivalent to £13m. (26.6m. units of account) are being made by the European Investment Bank to the National Water Council, which will pass on £5m. to the North-West Water Authority, on a 10 year basis, and £8m. to the Northumbrian Water Authority for 15 years. Interest on the loans is 8½ per cent. but to the extent that commitments entered into in building (North-West) and ship commitments entered into in building (North-East), the foreign currencies are insured European Investment Bank said against forward exchange rate movements through a Treasury placement scheme, the authorities face additional costs, though the borrowing will remain cheap by domestic standards.

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THE BRITISH INSTITUTE OF MANAGEMENT

First convention demands climate for initiative

BY JOHN ELLIOTT AND NICHOLAS LESLIE



Conferring at the British Institute of Management convention in London: Sir John Partridge, Lord Watkinson, who is BIM's president, and Mr. Roy Close, its director-general designate.

AN INITIAL step towards establishing a national forum in which the views of middle management for greater managerial initiative which could take place with increased worker participation. At the same time the BIM should be built up as a major national voice alongside the CBI and TUC.

Three resolutions were approved by the convention. These called for the Government to help create the right environment for greater managerial initiative which could take place with increased worker participation. At the same time the BIM should be built up as a major national voice alongside the CBI and TUC.

But one other resolution which set a bewildering list of social and other targets for managers, including the acceptance of pay restraint, was rejected. Sir Frederick Catherwood, BIM chairman, said later however that since there had been no speaker in the debate attacking pay restraint, he had been rejected.

Lord Watkinson said that in view of relatively low inflation rates of Britain's competitors, the next inflation target should be of the order of 5 per cent. for the year starting this August. The pay limit should be expressed as a percentage of

standards of profitability and rewards of managers (together with a call for temporary financial restraint during the present economic crisis) was defeated. Those speaking for the motion talked of the "most positive contribution" managers could make being to secure the support of fellow workers. They ought to ensure workers understood the value of profits and of the "magnifying nature" inherent in management. Others maintained that it was "inept" at this time to talk of greater financial rewards for managers.

Organise

Mr. Denis Sweeney, of the Association of Executive Engineers, warned that the recognition managers sought could only be earned. It was time for managers to organise themselves and they should be asking whether they should join TUC-affiliated unions or others like Mr. Sweeney's association.

Some strongly held views were also generated by the third "at its first convention" it concentrated on asking the Government to reverse policies. The answer instead lay with industry itself putting its house in order. Sir John Partridge, former chairman of Imperial Tobacco and a past president of the CBI, took the sting out of the debate by suggesting that what was really being discussed was the contrast between productive industry, both public and private, and the public services.

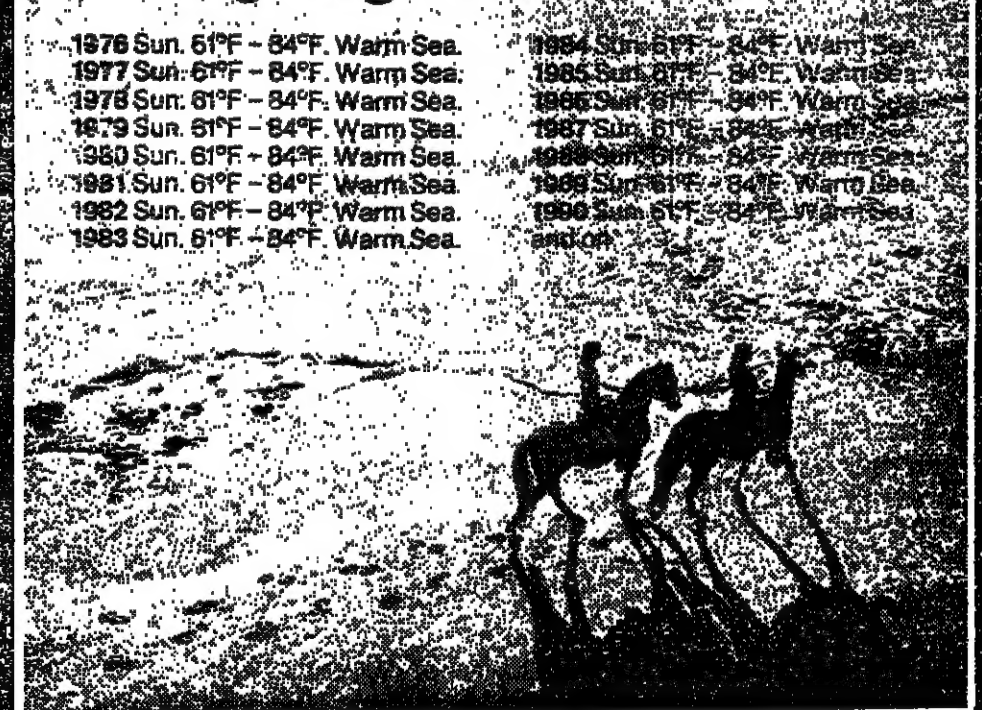
While there was too much denigration of management, most of the management's own fault and it should expect to get shot at. Sir John felt it necessary to build greater, though not total, security into employment prospects of managers. The pull of greater security in the public sector was not the whole story. It was more a relative loss of esteem for working in industry at all levels.

A subsequent motion on the responsibilities and performance of managers, which envisaged a wide variety of recommendations on responsibilities—such as health and welfare of workers, protection of minority rights—the under-

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1980 Sun. 61°F - 84°F. Warm Sea.	1988 Sun. 61°F - 84°F. Warm Sea.
1981 Sun. 61°F - 84°F. Warm Sea.	1989 Sun. 61°F - 84°F. Warm Sea.
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SATURDAY, MARCH 5, 1976

Uncertainty to the Budget

IN A WEEK during which neither the gilt-edged nor the industrial market has shown a decisive trend, there have been three main topics of business discussion—the increasing signs that the U.K. economy is turning the corner, at least as far as output is concerned; the differing proposals being put forward to the Chancellor about the shape of his Budget and about matters, like the wage norm to be recommended by the TUC for the next stage of incomes policy and the future of the Price Code, which are intimately related to the Budget; and the likelihood of a continued fall in interest rates when the U.S. downward movement has become less assured and a new flurry in the foreign exchange markets has sent the sterling/dollar rate down below \$2.

Signs of increased business optimism have become visible both in the latest FT and the latest monthly CBI survey of business opinion. In both cases the improvement is based on the trend of orders. The FT survey suggests that this increase is due mainly to exports or to the end of de-stocking at home. The CBI survey also shows an encouraging rise in export orders and less de-stocking at home, but suggests that capital goods as well as consumer goods industries are beginning to feel the benefit. Output is expected to rise well over the next four months.

Price code
The TUC recommendations to the Chancellor about his Budget follow those of the CBI and are, as might have been expected, completely different. Although it is against a consumer-led boom, the TUC nevertheless wants the Government to inject almost £2bn. into the economy—principally by way of higher pensions, adjustments to tax allowances, some selective cuts in the higher rate of VAT and new help from the National Enterprise Board to assist capital investment and stock-holding of at least £250m. during the coming financial year. The aim of the TUC is to bring down the level of unemployment to 800,000 by 1978, and its Budget proposals are essentially complementary to its suggested programme of selective import controls. Although the Chancellor has

Stewart Dalby, in Johannesburg, analyses South African reaction to Mozambique's closure of its border with Rhodesia and explains why the country has to seek harmony with its neighbours

The choice that Mr. Vorster cannot afford

MR. JOHN VORSTER, the South African Prime Minister, has the inestimable advantage for a politician who is often the bearer of bad news of looking naturally dour and hanging. But even he seemed more than usually weary when making his statement to Parliament on Thursday on Mozambique's decision to close its border with Rhodesia.

Although bland in the extreme—Mr. Vorster seemed to comment on rather than criticise Mozambique's move—his remarks could not obscure the fact that detente, the master plan for Southern Africa of which he is considered the architect although he has never officially admitted it, has received another serious setback.

Detente in the African context means nothing less than a grand strategy which would allow the White South African heartland to live in peace as an African nation rather than a European appendage of a hostile black continent.

Economic forces
To achieve it, political accommodation would have to be arranged between Mozambique, Angola, Rhodesia, South West Africa, and even within the Republic itself. This alone, the natural economic forces of the region would then cement relations.

The start for this plan came with the collapse of the Caetano regime in Portugal in April 1974. So long as Portugal retained its grasp, however arthritic, on Angola and Mozambique, South Africa did not have to worry too much about its Black neighbours farther north.

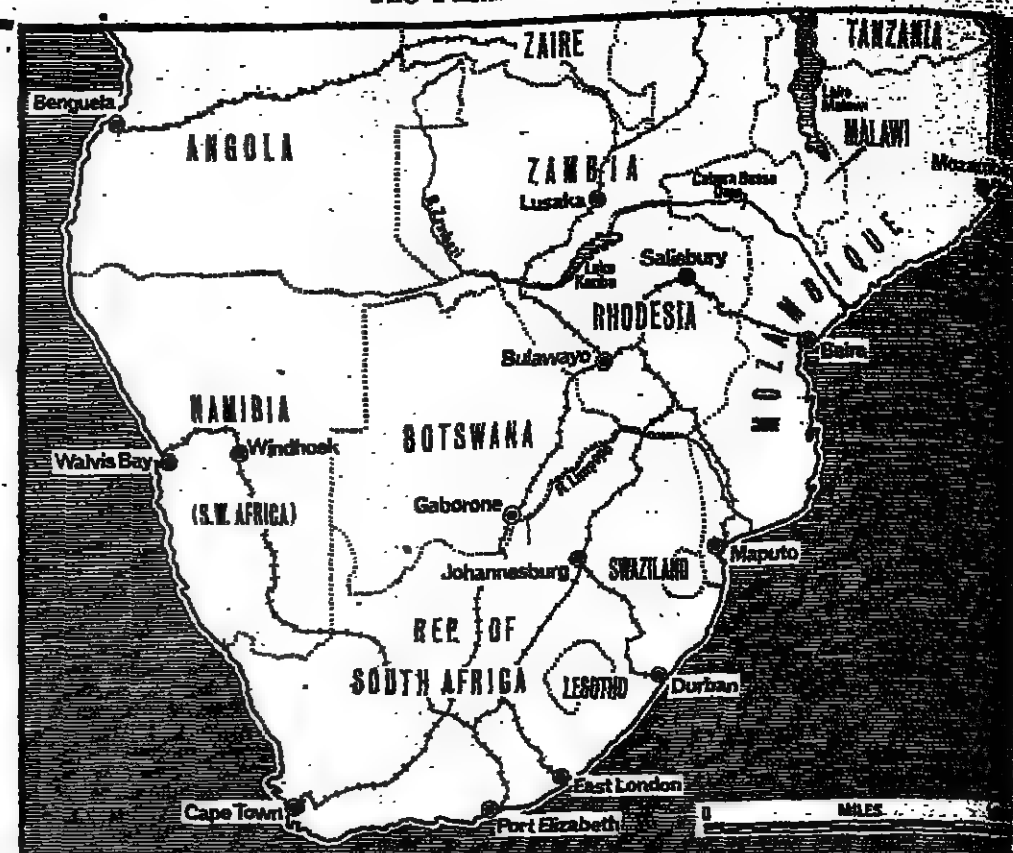
With the Portuguese territories in ferment, Mr. Vorster began sending out signals during 1974 to less bellicose African leaders such as President Kenneth Kaunda of Zambia that South Africa wanted to come to terms with the Frelimo leaders in Mozambique. For this to be achieved something had to be done about the ten-year-old dispute in Rhodesia.

It has always been assumed that Mr. Vorster's private view is that Rhodesia is dispensable, and indeed a necessary sacrifice for South Africa's survival. Rhodesia will eventually get a Black Government and South Africa will come to terms with it. That is thought to be Mr. Vorster's own view.

Pressure was therefore brought to bear on Mr. Ian Smith, the Rhodesian Prime Minister, in December 1974. He released Rhodesian nationalists from detention. In 1975 South Africa withdrew the 2,000 police it had in Rhodesia. Independence came for Mozambique in June 1975, and South Africa reached a friendly enough accommodation based on mutual and interlocking economic interest. In November 1975 detente reached its finest moment when Mr. Vorster shook hands at the Victoria Falls with a Black South African leader, Mr. Kaunda.

Then came Angola and Mr. Vorster blundered. By inserting South African troops into the three-way civil war in Angola, Mr. Vorster appeared in the eyes of the world as an aggressor. But he was an aggressor with little to gain. He also, at a stroke, managed to destroy the good will he had built up among the friendly Black African States.

The Angola adventure put detente into abeyance. Given a little more time, Mr. Vorster might have been able to manoeuvre back into his neutral position. But Mozambique's decision to close the Rhodesian border has again put him firmly on the spot. He does not want to alienate President Samora Machel of Mozambique with whom he has worked out a careful accommodation and has joint economic interests such as the 100,000 Mozambique workers in South African mines. Yet Mr. Vorster cannot countenance the idea of sanctions and he cannot completely abandon Mr. Ian Smith.



With the successes of the MPLA in Angola that has changed. It is not so much fear of Black nationalists. South Africa itself has virtually no guerrilla or terrorist problems, and the banned African Nationalist Council and Pan-African Council seem spent forces. What has worried the South Africans is that the Russians armed a force of Cubans to fight the war in Angola and thereby achieved a major involvement in Southern Africa.

Sophisticated armies
The introduction of sophisticated armies with modern weapons, similar and in some cases even superior to South Africa's, has altered the whole state of play. South Africans see Black guerrilla armies as one thing. The Russian involvement they see as something infinitely more threatening.

This fear has induced a feeling of solidarity among South Africans and Rhodesians which is plainly discernible at every level. There is a groundswell that says that Mr. Vorster must do something for "old Smithy" and the 280,000 White Rhodesians.

Before Angola and now Mozambique's decision, Mr. Vorster domestically seemed to be serenely in control. His Nationalist Party, which is solidly supported by the 90 per cent of the White population which is Afrikaner, holds 123 of the 171 seats in Parliament. He has always had to tack and trim to accommodate the right wing of his party, just as Mr. Harold Wilson has had to accommodate the left wing of his.

Recognition withdrawn
For a start, a severe strain would be put on the Republic's relations with countries like Malawi and Mozambique. Mozambique, apart from having 100,000 workers in the Republic, also plays host to the Rand500m. (£284m.) Cahora Bassa hydro-electric scheme which is South African and Portuguese financed. It also has a loan rolling stock from South Africa for its railways. The tie-up with South Africa would seem mainly to the benefit of Mozambique, since it derives Rand100m. (£37m.) from

white families be massacred then Mr. Vorster could find himself under unbearable pressure to intervene. It is not impossible that the strength of white South African feelings would make his own position vulnerable if he persisted with detente, against the general climate of opinion.

What Mr. Vorster is likely to do soon therefore is to give Mr. Smith something of what he wants. He will probably allow Mr. Smith to move across South Africa some, if not all, of the estimated 25 to 40 per cent of its trade which has until now gone through Mozambique, even though it will demonstrate clearly to the world that South Rhodesia's sole surviving prop and is giving it an economic reprieve.

South African railways have the spare capacity to move Rhodesia's freight, which probably amounts to 8m. tons. The Republic's ports have suffered from congestion, but with the current economic recession they can also probably handle the traffic.

But it is almost certain that Mr. Vorster will strike a hard bargain with Mr. Smith for allowing him out. He will bring as much pressure as he can muster on Mr. Smith to reach a settlement with the Black Rhodesians. A failure to reach a settlement could in the very least, set off a chain reaction which could unravel the external aspects of detente and would have severe internal repercussions in South Africa.

Part-time directors
From Mr. S. W. Penfold
Sir—The L. E. Smith of BOC International, among other opinions expressed on the subject of non-executive directors, infers that such directors, unless they devote 25 per cent of their time to the affairs of a company, serve no useful purpose. If indeed he has found this so then as chairman he must hold himself partly to blame for not having involved the part-timers more deeply in the company's affairs.

While the day of the director who merely attended Board meetings, usually without any pre-knowledge of the matters to be discussed, is over, or at least is now a rarity, there is good work to be done by the specialised outsider, who can often see more than the full-time executive who often is so immersed in detail that he cannot see the wood for the trees.

Letters to the Editor

Transfer tax
From Mr. R. A. Ecc
Sir—In no way do I condone capital transfer tax, any more than any other tax. I sympathise profoundly with Mr. Rowen's problems (February 27), but his problems are similar to those of all taxpayers. I do suggest that Mr. Rowen and the other contributors attacking CTT do plead special cases, and that is only too easy to do whether it be a minor or a majority shareholder. Owners of businesses (or farms) do have options open to them in the structuring of their shareholdings, and any good accountant or lawyer can reduce the impact of this egalitarian legislation quite simply.

Credit cards
From The Editor, Common Market Law Reports
Sir—Mr. Hershman (February 26) would have a point in asking for a discount for cash customers in a shop which accepted credit cards if the position were as simple as that. But, to be sure, shops do pay a fee to the credit card companies which they must recoup somehow.

Scope in Denmark
From Mr. G. Lefevre
Sir—One cannot help wondering if British companies are ill-informed, slow on the uptake or simply not interested in profits. Opportunities abound in Denmark, for companies with imagination to take advantage of high profit margins enjoyed by trading companies. Gross profit margins of 50 per cent, on sales are not uncommon at the retail level and 90 per cent. wholesale.

Personnel policy
From Mr. N. Finegan
Sir—The Department of Employment survey of strikes says that "irresponsible" management management could lead to a reduction in disputes. If the personnel function is tagged on to an organisation and given the task of recruitment and dealing with the unions, it is highly unlikely it will achieve any real success however skilled it is.

Textile imports
From Mr. N. A. Billich
Sir—The Chairman of the Textile Industry Support Campaign, Mr. John G. Bridge, along with the National Farmers' Union, car manufacturers, motor cycle workers, producers of television tubes etc., have this in common, that, but for the predatory commercial behaviour of the foreigner, their industries would thrive, and we, the 80m-plus consumers of Britain would be best served by Government intervention on behalf of the aforementioned vested interests whose motto is "The customer is always wrong," and who demand as a right a "fair" price for their products.

Exports
From Mr. R. B. Barnes
Sir—Everyone concerned with Britain's exports and, therefore, with Britain's future prosperity, will have been encouraged by the welcome, if belated, comments by the Chancellor about the importance of the country's manufacturing industries. For a number of years not nearly enough has been heard

about the need to develop our export trade. Yet it is on this above all else that our future survival depends. The time is overdue for a massive export campaign. Why not plan now to turn 1977 into "Make It and Export It Year"?

Part-time directors
From Mr. S. W. Penfold
Sir—The L. E. Smith of BOC International, among other opinions expressed on the subject of non-executive directors, infers that such directors, unless they devote 25 per cent of their time to the affairs of a company, serve no useful purpose. If indeed he has found this so then as chairman he must hold himself partly to blame for not having involved the part-timers more deeply in the company's affairs.

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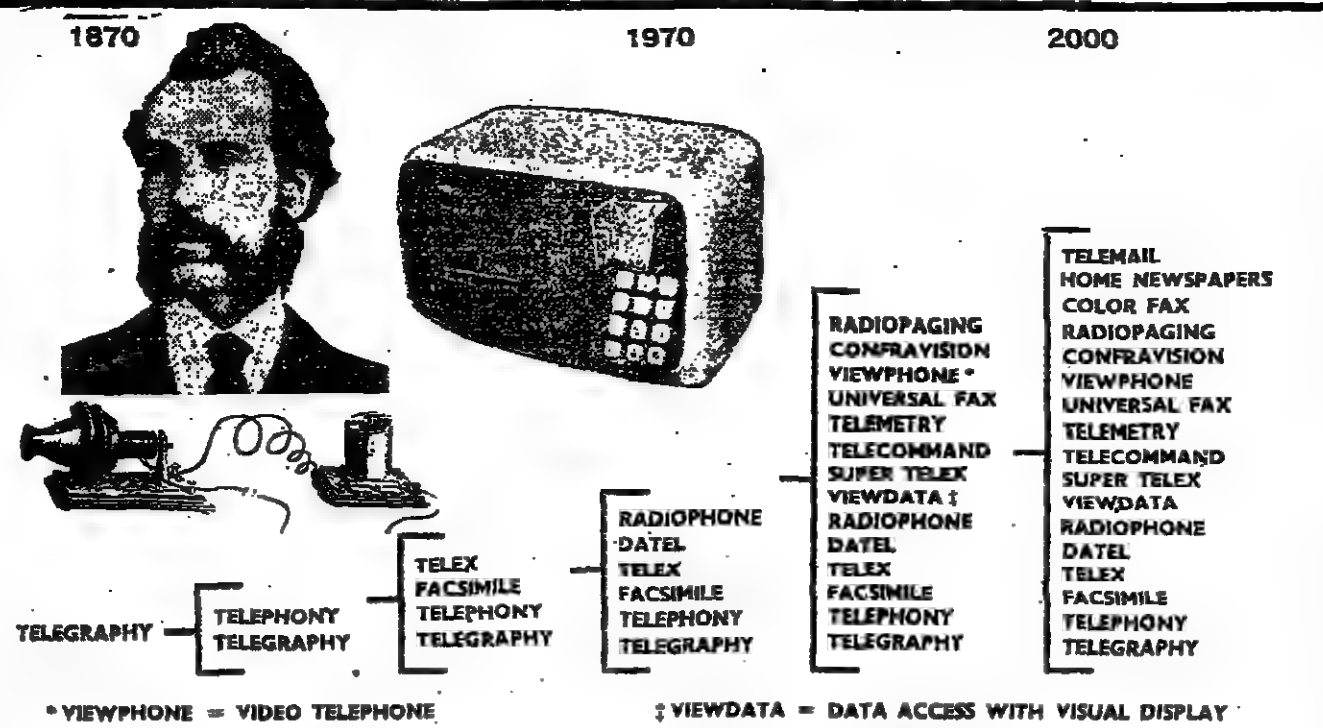
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Target Financial Fund
158, Fenchurch Street, E.C3

The telephone rings up a century

BY CHRISTOPHER LORENZ

LANDMARKS IN THE TELEPHONE'S DEVELOPMENT



Telephone services, past and future, with (inset) Alexander Graham Bell pictured in 1876, the transmitter and receiver he exhibited at the Centennial Exposition in Philadelphia that year, and one of the most recent telecommunications developments, Videodata.

ONE HUNDRED years ago, in 1876, Alexander Graham Bell, the micro-electronic engineer, patented his new invention, the telephone. It has since been taken to the general public, and its use has long been taken for granted as a part of every day life. Yet it has arguably had a much greater impact on the structure of modern societies and economies than the more publicised motor car. After all, the car simply shortened the time needed to go from one place to another, whereas the telephone put people in almost instantaneous contact with each other, first within national boundaries and then right across the world.

It is also one of the few inventions about which an opera was written—BBC radio will be broadcasting *Glass's The Telephone* on Thursday.

Easier

As we gradually enter the so-called "digital" era, communication between people, computers, and machines all promise to become easier, more reliable, cheaper, and therefore, even more pervasive. The "information explosion" promises—or threatens—to feed on advances in communications technology, and vice versa, in a continuous spiral of speed and volume. This trend is just as significant to society as the proliferation of nuclear power, but its advance is less evident to the eye, and its ramifications less understood—so its value is left largely unquestioned and unheeded.

In purely economic terms, it must be asked whether technological advances should be exploited to offer all the services now envisaged by the world's post offices and independent operators (in those countries where competition is allowed), or whether it should be directed more to making existing ser-

vices more reliable and less costly. The extraordinary increase in PO charges of the past year would probably sway most people to support the second alternative. But in both Britain and the U.S., it still seems to be the engineers rather than the consumers who dictate the application of technology.

The current stage of technological development has been reached, part a series of milestones, by no means all of them. Mr. Cyril Smith, the Liberal MP, suggested last night that in the next few weeks there should be a meeting of the 13 Liberal MPs to decide if Mr. Thorpe should stay until after the next General Election or whether he should "go home" now.

Burden

Professor Cherry recalls that the first exchange was set up in New Haven, Connecticut, two years after Bell's invention. Miss Emma Nutt ranks as the first of that unique breed, the female telephone operator, but the real exchange prize must go to one Almon B. Strowger, a Kansas City undertaker, who on March 10, 1891 patented the first automatic exchange.

It is a direct derivative of this "step-by-step" design which still provides the vast bulk of Britain's telephone service, as subscribers can tell by the long delays before a connection is established and by the level of crossed numbers and noisy or crossed lines. These drawbacks, plus the cost of maintenance, have turned Strowger's exchange into a burden which the Post Office must shed as fast as possible. This is why its current modernisation programme is so important, even if the new semi-electronic replacements require less manufacturing labour than Strowger and thus necessitate cutbacks in the factories.

Since 1930 a host of major inventions has increased the capacity, cut the cost and raised the efficiency of telephone communication. In the 1930s the coaxial cable allowed more than one conversation to be carried on one pair of conductors. In 1947 Bell Laboratories in the U.S. invented the transistor, which reduced the size and raised the performance of almost every type of commu-

nications equipment, a trend which has since been taken much further by the 1960s invention of the integrated circuit.

In the last 20 years submarine cables and satellites have replaced unreliable short-wave radio links, in intercontinental communication, super-high frequency or microwave transmission has enabled television services to be expanded economically, and the full automation of exchanges has allowed telephone subscribers to dial calls across the world without the help of Miss Nutt's successors.

Advance

Micro-electronics now provide the key to future advance. The development of transistors and integrated circuits have made it economic for a 1960s invention (by Alec Huxley, an Englishman) to be applied to existing telephone lines, multiplying their capacity 15 times. Called pulse-code modulation, it is a technique which will revolutionise the telephone network in the 1980s. Its essential characteristic is that it strings streams of digital (on-off) pulses together along the line, whereas transmission traditionally consists of continuous electrical waves which form an "analogue" of the voice pattern.

The new form of transmission means that digital computer-to-computer communication will no longer have to be slowed down and converted into analogue form to be carried along the line, a chance which will stimulate the latest computer fashion data networks. The human voice will be adapted to machine language, rather than vice versa.

Rather than some plot to turn us into automatons, the technique promises better quality and more capacity, both at lower cost. And when, also possibly in

the 1980s, Post Office exchanges which have since been taken control of computers, the subscriber will receive a far more flexible and sophisticated service than at present.

Sir Edward Fennessy, the managing director of Post Office telecommunications, says that the basic objective in the creation of this new system is not so much to provide better communication, but to provide a communication at lower cost. This is not to say that the PO is satisfied with the quality of the basic telephone service it offers—it is not, and looks to electronics as the solution. But in spite of Sir Edward's pledge, there will be a great temptation, as in the past, to go for existing new services such as the U.S. Picturephone—which cost hundreds of millions of dollars before it proved a dismal failure—or even the PO's own "Confradivision" system of telephone conference which was launched prematurely in a flurry of publicity and has not taken off because of cost and human factors.

Pitfall

The Post Office will come under growing pressure in future years to provide even more advanced services: cable and pay television, home newspapers, telemail and—at the end of the line—the famous "wired city" where everyone works from home, armed with a personal computer terminal and viewpoint. Apart from the social questions, the nationalised industry which already has by far the largest annual capital programme (£1bn, almost all of it on telecommunications) will have to avoid the economic pitfall of neglecting the quality and efficiency of immediate service in favour of long-term sophistication.

LABOUR NEWS

'Status quo' row in engineering plant

BY OUR LABOUR STAFF

"STATUS quo" row has broken out at a Wolverhampton engineering plant, where 800 workers are on strike, even though a dispute procedure agreement containing such a clause has just been signed at national level.

The national agreement, which came into effect until April but which at Electric Construction, a member of the Haworth Siddeley Group, says the agreement should recognise it to help settle the strike.

Mr. Stan Rutledge, district secretary of the Amalgamated Union of Engineering Workers, says the company had refused to suspend work on the dispute about piecework rates, and that it was a "status quo" row.

It says that, in the event of a dispute, previous practice shall continue pending a settlement or until the dispute procedure has been exhausted. In return, there must be no restrictions imposed by either side.

The 800 strikers at Electric Construction walked out when the six strikers were suspended after refusing to accept a 23.18 per cent increase in piecework rates. They asked for 22.45.

Jobs scheme controversy talks are deferred

BY OUR LABOUR STAFF

TEMPORARY talks were called yesterday in the controversy between a civil service and the Employment Service about the use of computers in matching applicants and vacancies.

The Civil and Public Services Commission has said that it would consider industrial action by the officers involved in the scheme if the proposed categories were reduced.

The proposal is that officers in North-East London should be classified into four categories: "high", "medium", "low", and "very low". The officers would be allowed to move between the categories even if the number of times they changed jobs and their position should approve it.

OGAT makes peace offer

DAILY newspaper print was again heard yesterday, but the judge made no new order and invited further evidence if necessary on Tuesday.

Mr. Justice Templeman said it would be wrong to grant an injunction which the publishers could not carry out because of their employees' industrial action.

SOGAT members have been refusing to deliver to the fringe distributors until after dispatch of the main London wholesalers. They claim that there are non-union distributors who pose a threat to their own jobs.

ord plant walk-out by 200

UP to 200 skilled workers at a Dagenham plant walked out yesterday after management refused to deliver to the fringe distributors until after dispatch of the main London wholesalers. They claim that there are non-union distributors who pose a threat to their own jobs.

Thorpe urged to quit after Coventry rout

BY JOHN HUNT

PRESSURE is mounting on Mr. Jeremy Thorpe, the Liberal leader, to resign the leadership of his party after the poor showing of the Liberal candidate, Mr. Alan Leighton, in the Coventry North-West by-election, where he lost his deposit.

Mr. Cyril Smith, the Liberal MP, suggested last night that in the next few weeks there should be a meeting of the 13 Liberal MPs to decide if Mr. Thorpe should stay until after the next General Election or whether he should "go home" now.

"I feel we cannot go on with endless speculation over the coming weeks. The Parliamentary party must settle the issue one way or the other."

Mr. Thorpe said in a radio interview that he had no intention of resigning. "I have every intention of leading the Liberal Party into the next election and of doing it damned well."

Next Thursday's by-elections in the Tory-held seats of Wirral and Carlisle now loom as crucial tests for Mr. Thorpe. If the same pattern of weak Liberal support is repeated he will find it increasingly difficult to argue that his nine-year tenure as leader is paying off.

Dangerous

Labour's victory at Coventry by a much reduced majority of 3,894 and the Conservative failure to win the seat offers little comfort for Mrs. Margaret Thatcher, the Tory leader. Since she became leader, she has consciously broken the tradition that a party leader should not take part in by-elections.

Yesterday, despite the Coventry setback, she went to Carlisle and toured shopping centres there. Many Conservatives feel this is a dangerous manoeuvre which could be counter-productive.

Mr. Jo Grimond, former Liberal party leader, described

Japanese carmakers 'facing downturn'

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE JAPANESE motor industry is facing a severe slowdown over the next two months, according to a report from the Ministry of International Trade and Industry.

The report forecasts that the average rate of expansion will fall to 2.5 per cent a year in 1974-1975, compared with 17.4 per cent in the boom years of 1965 to 1973.

As the growth rate tails off, manufacturers could be forced out of business or into more diversification, it says.

The report coincides with the belief of some European manufacturers that, in spite of a possible upswing in 1977/1978, the average growth of sales over the next ten years will be between 3 and 4 per cent a year.

The Ministry is predicting that growth in overseas demand for Japanese vehicles will slow to 4.2 per cent, following a five-year period in which car exports have more than doubled to almost 1.8m. units.

In Japan, where registrations have fallen off over the first two months of this year, it says, the average increase in demand for vehicles will fall to 2.2 per cent a year in 1974-85 from 13 per cent in 1965-73. Total production of the industry at home and overseas will reach 3.85m. units, as against the previously forecast 4.1m.

The leading Japanese car manufacturers, Toyota and Nissan, greeted the report yesterday with the view that it could lead to further rationalisation.

Japan has a dozen manufacturers making four-wheeled vehicles, several of them very small, and it is no secret that some have been in financial trouble since the oil crisis. Toyota, the third largest producer, has been a constant target of merger rumours since it recently started losing money, although it now seems to have survived the crisis.

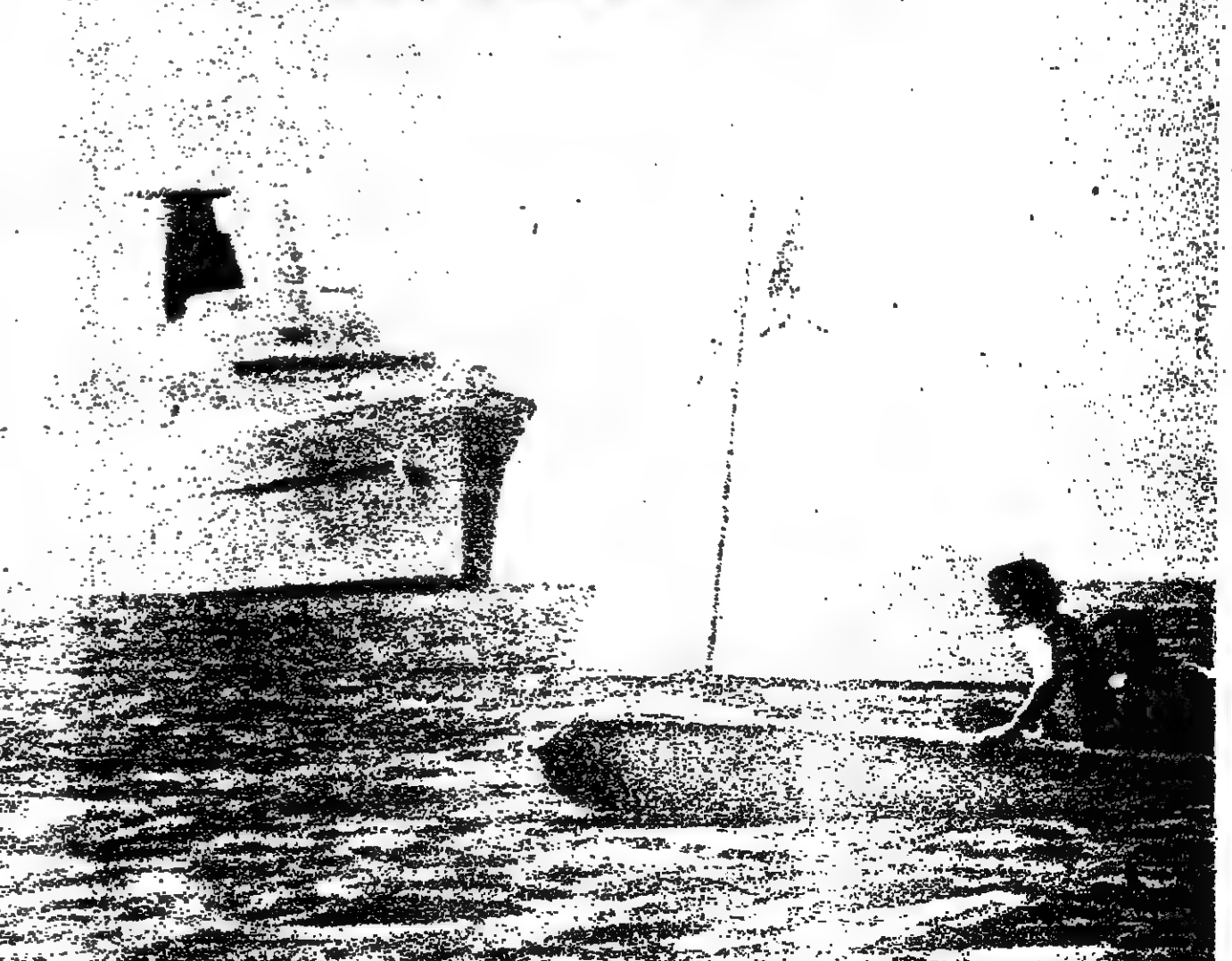
Consols in line with PSBR below £12bn.

CONSOLIDATED Fund figures for central Government revenue and expenditure figures in the first 11 months of the 1975-76 financial year are in line with the widespread impression that public sector borrowing requirement as a whole will after all be below £12bn. for the full financial year, as indicated in Mr. Denis Healey's letter to the International Monetary Fund.

Revenue receipts in February by central Government were at £2,600, only 10 per cent up on February, 1975, but this reflects the fact that penalties for late tax payments produced a rush to pay in January of this year.

Consolidated Fund expenditure was 12 per cent up on February last year at £2.9 bn., bringing the cumulative total for the first 11 months of the financial year against £4.7bn. in the corresponding period of 1974-75 and a Budget forecast of £4.8bn.

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- go to a concert, a lecture, a film or a show,
- explore an ancient city or snooze on a beach,
- dance till dawn or dream the night away,
- have a party to celebrate with new-found friends.

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Carras

COMPANY NEWS + COMMENT

Scottish TV upsurge: resumes dividends

ON A TURNOVER up from £742m. to £930m., pre-tax profit of Scottish Television expanded from £179,668 to £178,371 in 1975.

Ordinary dividends are set at 10p per share. The last payment was an interim of 1.47p for 1973.

When announcing first half 1975 profit up from £88,620 to £123,414, the directors said the year's profit would be well ahead of the 1974 figure.

The report that current year sales have maintained "the satisfactory rate of increase which occurred in the second half of 1973."

Television is being used by a growing number of advertisers, in many product fields, and demand for advertising time in the months immediately ahead is encouraging, they add.

1975 1974
Advertising sales £742,000 £930,000
Operating profit £179,668 £178,371
Profit after interest and depreciation £123,414 £88,620
Taxation £40,000 £40,000
Profit before tax £163,414 £128,620
Dividend £10.00 £1.47

comment

Scottish Television is firmly established on a recovery path. After six months, pre-tax profits have increased by 75 per cent. to £123,414 despite a 19 day strike, and the closing half of the year saw advertising revenue pick up and pre-tax profits rise nearly sixfold to leave the year's profits more than trebled. This is, however, still a long way from the £144m. profit of 1973. Costs have been reduced, but the small decrease in network fees helped—and the overdraft of £11m. in the last accounts is now down to near zero. The buoyant advertising revenue of the past couple of months—industry figures for January show a 36 per cent. increase—will continue throughout the first half and, helped by the IBA rent reduction of £80,000, interim profits at least should show a healthy increase. A return to dividends is in the air. Last year's shares 3p higher to 51p, where the yield of 4 per cent. is covered nearly five times.

British Bank of M.E.

Published profits, after tax, of the British Bank of the Middle East, a member of the Hong Kong Bank group, were £1,531,000 in 1975 against £2,211,000 in 1974. The result is regarded as "highly satisfactory," says the chairman, Mr. A. MacQueen.

Interim dividends of 4.66p and 13.33p per share, totalling £18m. have already been paid and a final dividend of 3.33p, absorbing £500,000, is now recommended.

The year's profit should be related to some extent to the changed capital basis from which the bank has been working, says the chairman.

In December, 1974 the parent company subscribed an additional £10m. capital to increase the figure to £15m.

Apart from this consideration, the major part of earnings continued to be derived from the expanding commercial banking operations "in an area where the word recession has no place in the vocabulary."

Most branches produced increased profits for the year. Directors have allocated £1m. to reserve account and have additionally strengthened their funds by a further transfer of £2.5m. from loan reserves.

On completion of these transactions the balance-sheet as at December 31, 1975, showed assets at £17.5m., published reserves account at £15.5m., and a carry forward figure of £31,027 making an overall increase for the year of £8,012,000.

It was again a year of substantial expansion in balance-sheet figures says the chairman. Current, deposit and other accounts were £881.7m. (£890.4m.); cash and short-term funds, £342.48m. (£198.18m.) and advances,

£1,918.18m. (£1,918.18m.). The year's profit should be related to some extent to the changed capital basis from which the bank has been working, says the chairman.

Results due next week

Among full year results due next week from several major companies with substantial dependence on overseas sales are those from Royal Dutch/Shell Group, United Biscuits, Fisons and BSR. Preliminary results are also expected from Transport Development Group and BTR.

The Royal Dutch/Shell Group's annual profits are expected on Thursday, and though these will inevitably reveal a drop in net income, the extent of this is likely to be far less severe than most experts were anticipating at the start of last year. Third quarter profits in November were down from £804.5m. to £724.5m. at the net income level but there was clear evidence that a recovery was under way. North America was performing well, and the volume decline elsewhere appeared to be bottoming out; also, the Western European chemicals interests were starting to pick up. This meant a point to a full year net income of around £805m. against £1.1bn. previously.

United Biscuits' Keebler concern

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£442,96m. (£334.1m.). Balance-sheet total was £1,472.73m. (£1,032.13m.).

The accounts reveal that the bank has paid its former chairman, Mr. Claude Loombe, £107,000 on his retirement (in addition to his normal emoluments) in recognition of his service. After tax the sum paid to the chairman amounted to £18,190.

Meeting, 20, Abchurch Lane, E.C. March 23 at 11.30 a.m.

Further recovery at HTV

After a substantially more than doubled Exchange Levy charge of £300,000 against £153,653, profits before HTV recovered sharply from £320,393 to £835,640 in the six months ended January 31, 1976. Stated earnings per 25p share went up from 2.25p to 4.89p. The net interim dividend is 2.25p against 1.25p. In 1974-75, the group paid a 4.25p total from pre-tax profits of £824,000, compared with £1.19m. in the previous year.

Turnover, before Exchange Levy, in the first six months was ahead at £647m. (£536.3m.). After tax of £238,000 (£178,000), net profits were £297,640 against £142,383.

comment

HTV's more than doubled first-half pre-tax profit continues the improving trend which has been apparent since profits bottomed out in the second half of 1975. In July 1974, advertising has been buoyant of late, but also HTV has made "stringent" efforts to control costs, though this has run the company into difficulties with the Press Commission in gaining the rate card increase it desires. Prospects for TV contracting look promising, but HTV has recognised the need to diversify and is currently taking over Frost and Reed, a line a dealer's while, whether the recovery in the interim dividend can be extrapolated for the full year, is difficult to decide, as HTV may be benefitting from the cash for diversification and returning to the previous dividend level. Still on the last 12 months' dividend the yield is only just under 11 per cent. at 79p, up 9p yesterday.

City & Comm. advance

Pre-tax revenue of City and Commercial Investment Trust increased to £481,060 (£398,877) in the year to January 31, 1976, and the dividend is lifted from 1.33p to 1.42p net per 25p income share with a final of 0.82p.

After tax of £173,998 (£138,051), the balance is £307,062 against £210,826.

Net assets at January 31, 1976 were valued at £11,93m. and the net asset value per Capital share was 186p (£17.7m. and 53p) calculated after deducting the share structure stock and income shares at nominal values. No deduction has been made for the surrender of investment currency premium or for any tax which would have been payable had the investment been sold at market values at balance sheet date.

U.S. DEBENTURE

Available net profit of the United States Debenture Corporation for the year to January 31, 1976, was £1,173,734 (£1,114,380 previously) as shown in yesterday's report. The £1,067,734 would still be roughly 35 per cent. down on last year, but the recovery will have been supported by improved sales in Japan and by the resilient market in the U.K. for small electrical appliances. Meanwhile, BSR's new high turnover sales in Japan, and the Market talking point.

A sharp drop in haulage profits, together with reduced contributions from engineering and exhibition, led to a drop in the group's pre-tax profit to £1,173,734, lower at the half-way stage, despite a strong performance in Australia. This trend down under the new management is also beginning to pick-up. However, the latter is unlikely to have had much significant effect on 1975 profits and a full year total of around £12m. (against £18m.) is probably a maximum hope. The final due Tuesday.

comment

Other companies due to report preliminary results next week include Inveresk, Steeley, Barmore Corporation, Glenlivet Distillers and Clayton DeWane. Interim results are expected from AAB.

Dividends due: 1st March, 1976. Final, 1st April, 1976. Int., 1st May, 1976. Final, 1st June, 1976. Int., 1st July, 1976. Final, 1st August, 1976. Int., 1st September, 1976. Final, 1st October, 1976. Int., 1st November, 1976. Final, 1st December, 1976. Int., 1st January, 1977. Final, 1st February, 1977. Int., 1st March, 1977. Final, 1st April, 1977. Int., 1st May, 1977. Final, 1st June, 1977. Int., 1st July, 1977. Final, 1st August, 1977. Int., 1st September, 1977. Final, 1st October, 1977. Int., 1st November, 1977. Final, 1st December, 1977. Int., 1st January, 1978. Final, 1st February, 1978. Int., 1st March, 1978. Final, 1st April, 1978. Int., 1st May, 1978. Final, 1st June, 1978. Int., 1st July, 1978. Final, 1st August, 1978. Int., 1st September, 1978. Final, 1st October, 1978. Int., 1st November, 1978. Final, 1st December, 1978. Int., 1st January, 1979. Final, 1st February, 1979. Int., 1st March, 1979. Final, 1st April, 1979. Int., 1st May, 1979. Final, 1st June, 1979. 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Int., 1st March, 2026. Final, 1st April, 2026. Int., 1st May, 2026. Final, 1

RECENT ISSUES

EQUITIES

Share	High	Low	Open	Close	Change
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2

FIXED INTEREST STOCKS

Share	High	Low	Open	Close	Change
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2

"RIGHTS" OFFERS

Share	High	Low	Open	Close	Change
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2
1000 F.P.	1000	998	1000	998	-2

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Mr. Jimmy Goldsmith's Anglo-French interests have evolved a complex deal which should result in the U.K. foods group Cavenham, already the beneficial holder of a 58 per cent. stake in Générale Alimentaire, achieving full control of this French food concern. Another outcome will be that Générale Alimentaire, together with its subsidiary Anglo-Continental Investment and Finance, will end up with over 50 per cent. of Cavenham, compared with their current combined stake of 39 per cent. To overcome exchange control problems, GO is making a share-exchange offer for the 18 per cent. of the GA equity held by the general public on the basis of one GO share for every two of GA. Cavenham will then, subject to the approval of its outside shareholders, issue 20m. of its shares (currently worth about £26m.) to GO in exchange for all the GA shares that Cavenham does not already own.

Lourho has emerged with an agreed share-exchange bid, worth some £3.7m., for Lubok Investments, the former investment vehicle of Mr. Jim Slater who is accepting the offer in respect of his 16 per cent. shareholding. Lourho shares, ex the pending 20 per cent. scrip issue, are being offered on the basis of 16 for every 100 Lubok Ordinary shares and 365 for every £400 nominal of the outstanding Lubok 12 per cent. Convertible Loan stock, 1984.

Jefferson Smurfit has raised its offer from 47p cash per share to 49p for the 70 per cent. of the issued Ordinary shares of Alliance Alders not already owned (capitalising the whole equity at £8.5m.) and has gained the recommendation of the latter's Board.

Energy Finance and General Trust, together with clients, has purchased 49.9 per cent. of the issued Ordinary of Selkirk Gold Mining and Finance from Estates House Investment Trust shareholders, although the intention is to maintain the Selkirk share quotation.

The Australian authorities have intervened in the bid battle for Emu Wine, a U.K.-registered company with mainly Australian assets, by imposing an interim order on the U.K.-based international traders Inchcape, preventing the latter from proceeding with its offer for a period of 90 days. This is to allow time for the Australian Government to consider whether the Inchcape bid should be permanently banned under the Australian Foreign Take-overs Act, 1975. Both Inchcape and rival bidders Western Australian Worsted and Woolfens Mills have offered 170p cash for each Emu share but the latter, due to its Australian domicile, is being allowed to proceed with its bid for the 87.1 per cent. of Emu not under its control.

Company	Value of bid per share	Market price	Price before bid	Value of bid (£m's)	Blender	Final Acct'g date
Cassnock Chaddesley Leys	234	240	240	1.9	McLeod Russell	—
614	15	8	0.1	—	Ge. Att. Four	—
Giro Holdings	144	114	14	0.6d	Howard & Wyndham	—
Clover Dairy	168	162	92	10.1	Norm. Foods	—
Coated Metals	143*	142	75	1.6*	Walker (C)	12.3
Consolidated Tea	343	340	360	4.1	McLeod Russell	—
Dares Estates	24	12	12	0.05	Priv. Constn.	—
S. Street Engrs.	170*	170	127	1.7*	Western Aust.	—
Emu Wine	171	170	160	2.6	Inchcape	—
Felkstone Dock	150*	132	90	5.2*	Drill. Transport	—
Felkstone Dock	104	132	132	6.8	Europ. Ferries	17.3
Front & Reed	137*	135	136	1.4d	RTV	—
Hilgate Optical	39*	38	35	0.3*	Bayline	—
Lakeland	134	104	3	0.3*	Lomb	—
New Ireland Ass.	110*	115	98	0.3*	PMPA Insur.	—
SA Distilleries	260d	270	650	42d	Oude Meester	—
Selkirk Gold	224	24	17	0.16*	Energy Fin. & Greyhound	—
Tith Hldgs.	422	400	330	4.0	James Finlay	—
Thompson-Reid	271	25	15	0.5	Charles Hurst	—
Tilley Lamp	50*	49	33	0.2*	MR R L Herov	—
Totalators & Greyhound	15*	15	14	1.1*	Ladbroke	—
Warwick Eng.	26	24	21	1.6	Gidney Ind.	—
West Nile	422	400	330	2.8	James Finlay	—

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
TCK Group	Dec. 31	188	(149)	14.25 (16.00)
Unilever Ltd. & NV	Dec. 31	225,600 (\$33,200)	38.1 (41.78)	13.674 (12.09)
U.S. Debuture	Jan. 31	2,243d (2,074d)	2.84 (2.85)	2.84 (2.42)
Youghal Cpts. Hld.	Dec. 31	1,632 (1,617)	12.1 (5.3)	8.75 (8.75)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
F. Austin (Leyton)	Dec. 31	246	(190)	0.14 (0.13)
Black Arrow Grp.	Sept. 30	42	(156)	Nil (0.87)
Campani	Dec. 31	280	(174)	0.538 (0.504)
Diploma Invests.	Dec. 31	1,025	(786)	0.761 (0.722)
EGA Holdings	Oct. 31	514	(396)	0.4125 (0.375)
EMI	Dec. 31	29,362	(16,323)	2.1 (2.625)
Excelsior Jewellery	Oct. 31	352	(254)	0.2142 (0.2077)
For's Biscuits	Oct. 22	465	(198)	1.3 (1.31)
R. Green Props.	Sept. 30	151	(260)	0.5 (0.5)
Hensher	Dec. 31	233	(121)	2.3 (1.9)
Hindson Print Grp.	Dec. 31	65	(128)	1.05 (1.05)
Homfray	Jan. 3	1,126	(1,085)	1.9125 (1.9125)
J. Jarvis & Sons	Sept. 30	244	(236)	3.5 (3.3)
J. & J. Dyson	Sept. 30	376	(372)	1.2562 (1.2562)
Leisure & General	Oct. 31	645	(340)	0.935 (0.85)
R. P. Marth	Dec. 31	425	(275)	0.5 (0.5)
Witchell Coils	Dec. 31	384	(317)	1.55 (1.05)
Myddleton Hotels	Dec. 31	208	(145)	1.4025 (1.3075)
Peters Stores	Dec. 27	311	(287)	1.075 (1.075)
Prestwich Parker	Dec. 31	140	(134)	0.8125 (0.8125)
Stockdale	Sept. 30	379	(381)	0.5 (0.5)
Utd. City Mchnts.	Dec. 31	1,210	(1,070)	0.58 (0.5)
Utd. Industrial	Dec. 31	27	(29)	0.1635 (0.1635)
Willows Francis	Dec. 31	91	(74)	0.75 (0.75)
Whitman Die Cast	Dec. 31	127	(113)	0.25 (0.25)

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Agar Cross	Mar. 31	117	(41.1)	8.4 (—)
Barclays Bank	Dec. 31	137,500 (135,100)	30.6 (28.2)	6.993 (5.294)
Campani	Dec. 31	568	(486)	3.00 (2.4)
Bladen & Neakens	Dec. 31	2,400 (3,100)	18 (25)	5.48 (5.126)
Bonsor Engrs.	Nov. 30	373	(468)	2.86 (3.88)
Bridgewater Ests.	Dec. 31	548	(473)	10.5 (8.7)
BSCA	Dec. 31	2,251	(1,952)	15.1 (13.4)
Commercial Union	Dec. 31	10,000d (59,000)	(—)	(12.25)
Family Inv. Trust	Jan. 31	121*	(119)*	2.75 (2.71)
First Scot. Am. Tr.	Feb. 2	757*	(696)*	2.31 (2.3)
Giddings & L. Frsr.	Dec. 31	495	(492)	3.14 (2.5)
Greenfield Mills	Oct. 31	85	(53)	2.83 (2.5)
Jika & Prer. Hlds.	July 31	311	(451)	(—)
Joseph Shakespear	Dec. 31	708	(301)	7.88 (4.88)
Langensvale Ests.	Apr. 30	150L	(190L)	(—)
Metatex Holdings	Dec. 31	814	(764)	3.71 (3.23)
Newey Group	Jan. 4	98L	(858)	(—)
Nu Swift Indus.	Dec. 31	705	(668)	1.69 (1.48)
Prov. Financial	Dec. 31	4,584	(2,857)	5.48 (3.18)
Reardon Smith	Mar. 31	4,465	(16,169)	27.31 (22.00)
Royal Insurance	Dec. 31	32,400	(13,000)	13.95 (8.88)
Sedgwick Forbes	Dec. 31	10,884	(8,573)	14.1 (12.9)
Silkstone Lubric.	Dec. 31	770	(748)	8.08 (5.4)
Suagel Krian	Dec. 31	204	(482)	80.8 (106)

Offers for sale, placings and introductions

Greater London Council: Loan stock (£100m.) 12½ per cent. 1983 at 98½ per cent.

Sutton District Water Company: Offer for sale by tender £21.8 per cent. Redeemable Preference stock 1981 at minimum 98 per cent.

Rights Issues

J. H. Dennis: One for four at 30p each.

Diploma: One for nine at 50p each.

Crown House: One for five at 21p each.

S. Hoffmann: One for four at 55p each.

Scottish Metropolitan Property Company: Issue of 8 per cent. Convertible Unsecured Loan stock (£3.2m.) dated 1980-1986 at par on one for nine basis.

Notts Mfg. sales expansion

THE FORWARD order position of Nottingham Manufacturing is good and sales to date show an increase over the corresponding period last year, the chairman, Mr. H. A. S. Djenogly, says in his annual report.

The financial position is strong and can be deployed for the long term interests of the group as circumstances dictate, he adds.

The chairman is satisfied the group is better equipped to deal with difficulties that may arise this year and, if economic circumstances are favourable, he is sure that a satisfactory result can be achieved.

As reported on February 26, pre-tax profits for 1975 amounted to £2.82m. against £2.43m. and the net dividend is raised from 2.4227p to a maximum permitted 2.84027p.

Last year was not easy, the chairman says, and it was recognised some time before that the group's long standing policy of reviewing operations critically should be intensified. This policy has been shown to be justified by the improved results of the second half of 1975, when measures taken to improve efficiency coupled with increased sales produced a significant improvement from the particularly difficult trading conditions during the first half, he points out.

Equity capital employed including retained profits, at the year end amounted to £34.08m. and this is the financial base for expansion of group activities and for the continuous process of investment in the most modern plant and equipment, says the chairman.

As indicated last year a cautious approach to additional investment in buildings and plant was being taken. Capital expenditure in 1975 nevertheless amounted to £2.63m. and commitments at December 31, 1975 amounted to £2.17m. The chairman says that projects are still being reviewed with caution, the group will not hesitate to invest in suitable projects and new plant if it can be seen to be justified.

Land assets have been further increased to over £20m. and represent 56.7 per cent. of total equity capital employed.

Meeting, Mansfield, March 31 at 10.30 a.m.

Chairman's statement Page 9

Allied Textile growth prospect

Executors of the estate of the FIRST-QUARTER management Mr. Marks Cohen are accounts of Allied Textile companies compare favourably with those for the same period last year, states chairman, Mr. J. E. Meeting, 242 Church Road, E. Lumb, March 31, noon.

There is now no significant loss making in any part of the group, and while it is impossible to forecast the likely outcome of the year to September 1976, it can be unequivocally stated that ATC holders that further rationalisation is being investigated together with an improvement in cash utilisation.

The forward order position on the residential side is showing steady improvement, and a further increase in the number of dwellings sold this year is anticipated.

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Reed Paper downturn

From an annual sales of \$100,000,000 against \$90,000,000, net earnings of Reed Paper, Canadian subsidiary of Reed International, were \$12.31m. in 1975 compared to \$24.2m. in 1974. After extraordinary items, earnings amounted to \$11.1m., or \$11.3 per share.

Mr. D. F. Walton reports

Confidence in Group's inherent ability and strength

At the Annual General Meeting of Thos. W. Ward Ltd., held in Sheffield on 5th March, 1976, Mr. D. F. Walton, Chairman and Managing Director, in the course of his review said:

The Group trading profit of £11,278,000 shows an increase over the previous year's figure of £11,080,000 on turnover up from £146,582,000 to £188,094,000, but the net profit after charging interest has reduced from £7,874,000 to £6,878,000.

This downturn in profits results principally from the effect on our margins of the reduced levels of economic activity in the second half of the year, particularly in the Iron and Steel activities, and to trading losses incurred by Marshall-Fowler Ltd. prior to disposal of its business (announced in September 1975), the scale of which could not be foreseen earlier in the year.

The total gross dividend for the year of 5.625p is equivalent to that paid for 1974. Your Board are confident that the Group has the inherent ability and strength to increase its profitability when economic conditions improve.

PROSPECTS FOR 1976/77

Since March last year the majority of our operations, in common with much of British industry, has been running at reduced levels with smaller margins, particularly in the case of the Engineering and Iron and Steel activities.

In the Construction sector, the cement companies, which are its major constituent, had a reasonable year under the circumstances of 1975 and we would expect this to be the case again in 1976. Our Motor Vehicle Distribution companies had a creditable year in 1975, but they will not maintain these results during the current year. In the Industrial Services sector where activities are mainly merchandising, if the hoped for economic recovery does materialise its results will improve.

Concluding his review, Mr. Walton said: I have referred to the external constraints which affect the Group, but there are other areas within the Group where performance requires improvement. Action has been taken in a number of these areas and is being taken in others. With the support I am receiving from all within the Group I am confident of a successful outcome when the economy recovers.

The Board are raising the sum of nearly £6 million by a rights issue on the basis of one new Ordinary Share at a price of 46p per share for every three Ordinary Shares held.

The proceeds of the issue will initially reduce the overdrafts and will subsequently be used to finance the remaining portion of the investment programme in the cement subsidiary.

Sale figures for the last five years	1975	1974	1973	1972	1971
Turnover	£'000	£'000	£'000	£'000	£'000
Profit before Tax	188,094	146,582	153,615	86,617	77,800
Profit after Tax	6,878	7,874	7,959	5,563	4,552
Profit relating to	2,789	3,707	4,694	3,310	2,707
Thos. W. Ward Limited	3,438	1,161	4,448	2,867	2,483
Basic earnings per share	7.2p	5.5p	11.8p	8.0p	8.0p
Gross Dividend per Ordinary Share	5.6p	5.6p	5.6p	5.0p	4.4p

THOS. W. WARD

Thos. W. Ward Ltd. Head Office, Albion Works, Sheffield

Cartiers Superfoods progress

Profits of Rochester-based Cartiers Superfoods more than trebled from £121,315 to £377,728 in 1975 on a doubled turnover of £5.65m. And the directors indicated that current year earnings will exceed £12m.

In 1975 the London-based unit increased from 75,000 square feet to 122,000 square feet.

This year the original market branch has been replaced by a larger, site and work has already commenced on two other sites acquired for relocation and units which will increase sales area by a further 27,000 square feet in 1976.

CUSTOM COIL COATERS

To avoid confusion, the Financial Times has been asked to point out that Custom Coils, a company which has been operating from a subsidiary of Charles Spenceley, the building and property group, is not connected with Custom Coil Coaters, a successful subsidiary of the long standing policy of Frederick Cooper (Holdings).

LAWSON Raw Materials and General Unit Trust

75% ESTIMATED GROSS YIELD

PLUS A POTENTIAL HEDGE AGAINST INFLATION

Lawson Raw Materials is a new unit trust

Commodity shares are risky and therefore command a relatively high yield. Companies involved with Tin, Tea, Rubber, Coffee, Cocoa, Diamonds, Oil, Gold, etc. carry political risks as well as investment risks. However it is our view that an investment in a wide spread of such companies offers a most attractive hedge against inflation and the continual erosion in the value of currencies. Lawson Raw Materials fund is designed for those needing a good return on part of their savings with an excellent chance of maintaining real values.

Now is the time to invest.

Investors are reminded that the price of units and the income from them can go down as well as up.

Initial offer of New Units at their Starting Price of 25p.

This offer will close at 3.00 p.m. on Monday 22nd March 1976.

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Commodity shares are risky and

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Mixed trend in lower volume

BY OUR WALL STREET CORRESPONDENT

A MIXED TREND prevailed after an early advance collapsed on Wall Street today, amid speculation that the Federal Reserve may not have to tighten U.S. monetary policy over the near-term.

After opening 6.30 up at 976.94, the Dow Jones Industrial Average came back to 972.92, for a net rise of 2.38, and a gain of 0.21 on the week. The NYSE All Common Index, at 853.05, was up 10 cents on the day but up 30 cents on the week. Gains and losses were evenly matched at 728-to-713, while the trading volume further decreased 1.35m. shares to 233.0m.

Analysts said optimism was tempered by the apparent slow-

down of institutional support. In the news background, the Government reported a decline in the unemployment rate to 7.6 per cent, in February, from 7.8 per cent, in January.

First rise \$1.10 to \$2.75, introduced to new plain paper copy machines.

National Semiconductor moved up \$1.10 to \$42.00, Lockheed Aircraft \$1.10 to \$110.00, and Ford Motor \$1.10 to \$33.00. Mississippi River slipped \$2 to \$31.00, Missouri Pacific Railroad advanced \$2 to \$25.00, and American S&B, N.R. is seeking an exchange offer for all MPR Common Preferred shares.

Weyerhaeuser Share were lifted \$1.10 to \$22.00 on sharply higher

fourth quarter net.

Holladay Inns were off \$1 to \$17.00, filed for a 1m. Common share offering.

OTHER MARKETS

Canada firm

All sectors were firm in moderate to active trading on Canadian Stock Markets yesterday.

The Industrial Share Index rose 0.15 to 103.85, for a net rise of 0.28 on the week, although declines outnumbered advances by 363-to-323.

0.86 to 192.87, Golds 2.22 to 327.50, Base Metals 1.01 to 57.34, Western Oils 0.68 to 219.07, Utilities 0.23 to 198.56, Banks 0.31 to 245.45 and Papers 0.56 to 128.73.

PARIS—Small gains predominated, reflecting Petrotrin report forecasting expansion in first half year, together with recent signs of upturn in domestic demand.

Metals, Chemicals and Banks, Holdings, Electricals and Metals steady to slightly higher. Foods and Constructions mixed. Motors, Rubbers, Petrols and Chemicals eased.

BRUSSELS—Widely lower in calm trading.

German depressed by its lower recovery.

German, U.K. and Dutch issues eased, U.S. shares fell. Gold Mines continued their recovery.

AMSTERDAM—Generally weaker in quiet conditions.

Nardern rose \$1.15 to \$15.52, despite its 1975 loss and dividend cut.

Dutch State Loans virtually unchanged.

GERMANY—Well-maintained, with some sectors firm, notably Public Bonds, and the OSLO—Banks, Shipping and Insurance barely steady, Industrials quiet.

COPENHAGEN—Mixed in moderate dealings.

Down an average 2 per cent in active trading, attributed to technical factors and expected two points rise in interest rates on covering operations.

SWITZERLAND—Narrowly mixed.

Major Banks and Insurance slightly irregular, Financials rose. Chemicals mixed. Small losses predominated in Industrials.

HONG KONG—Lower in moderate trading.

TOKYO—Slightly higher. Volume 300m. (27m.) shares.

STEEL—Firm on a reported recovery in steel exports, which also boosted shipbuilding and Heavy Electricals.

Textiles, non ferrous Metals and some Chemicals were also in demand, encouraged by a rally in Domestic Commodity Markets.

Paper-Pulp, Chemicals, Petroleum and Electric Powers eased on a U.S. report.

U.S. report—Again firm, led by the Energy stocks, particularly Uranium.

Pancontinental rose \$1.10 to \$14.50 and Peko-Wallend \$1.10 to \$14.50, gained 30 cents to \$10.40 and 10 cents to \$1.90.

BMI put on 5 cents to 1.25 on its results.

OVERSEAS SHARE INFORMATION

NEW YORK			LONDON			PARIS			BRUSSELS			AMSTERDAM			COPENHAGEN			STOCKHOLM			OSLO			TOKYO			HONG KONG			SINGAPORE			MELBOURNE			SYDNEY			AUCKLAND			WELLINGTON			DUNEDIN			CHRISTCHURCH			MILAN			ROMA			ATHENS			LISBON			BOGOTA			LIMA			SANTO DOMINGO			SANTIAGO			VALPARAISO			SALVADOR			MANAGUA			GUATEMALA			TEGUCIGALPA			SAN JOSE			LIBERIA			MONROVIA			ACCRA			NAIROBI			DAR ES SALAAM			NAMPALA			LUSAKA			JOHANNESBURG			CAPE TOWN			PORT ELIZABETH			NATAL			DURBAN			NORWICH			SHEFFIELD			MANCHESTER			LIVERPOOL			BIRMINGHAM			GLoucester			Bristol			Cardiff			Belfast			Newcastle			Preston			Blackburn			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford			St. Helens			Wigan			Bolton			Bury			Oldham			Rochdale			Salford					
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Market sentiment unsettled by weakness in sterling

Share index down 2.9 at 404.7—Useful rally in Golds

behave, with most overseas-based issues sharply higher. De Beers, the worst affected by the recent war in Angola and the clashes on the Rhodesia-Mozambique border, rallied strongly. The biggest rumour of the movement of Cuban forces into Mozambique. The shares, the most actively traded on the London Exchange over the week, opened at 208p and advanced to 212p but were still a seller on the week.

Other South African Financials to gain ground included Anglo American which rose 15 to 256p

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